

to the Committee on the Post Office and Post Roads.

1553. Also, resolution of the California Assembly, Resolution No. 4, relative to memorializing Congress to allocate housing appropriations upon the basis of need and of present population; to the Committee on Public Buildings and Grounds.

1554. Also, resolution of the California Assembly, Joint Resolution No. 12, relative to protein feed concentrates; to the Committee on Agriculture.

1555. Also, resolution of the California Assembly, Joint Resolution No. 10, relative to a proposed conference for the prevention of juvenile delinquency; to the Committee on the Judiciary.

1556. Also, resolution of the California Assembly, Joint Resolution No. 13, relative to the use of the aircraft carrier *Saratoga* as a national shrine or its assignment for some other useful purpose in the San Francisco Bay area; to the Committee on Naval Affairs.

1557. By Mr. WOLCOTT: Petition of 14 residents of Melvin and Almont, Mich., expressing their opposition to the proposed legislation for compulsory military training; to the Committee on Military Affairs.

SENATE

WEDNESDAY, FEBRUARY 13, 1946

(Legislative day of Friday, January 18, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. Oscar Fisher Blackwelder, pastor of the Lutheran Church of the Reformation, Washington, D. C., offered the following prayer:

God of our fathers and our God, we would pause at this noonday hour to place ourselves in harmony with Thy purposes for us, for our Nation, and for this hour of destiny.

Thou who art the fountain of goodness, grant us strength of character and health of mind and heart.

Thou who art the source of wisdom, give to the Congress, to the President, and to all in authority Thy guidance and the increasing understanding of Thy purposes for our country.

Thou who art the Saviour of the world, save us from choosing the lesser and lower ways of life; save us as men and as a nation by the power of Thy outpoured life.

We ask our prayer in Jesus' holy name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, February 9, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5158) re-

ducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes.

The message also announced that the House had passed a bill (H. R. 5060) to amend section 1 of the act entitled "An act to fix the salaries of officers and members of the Metropolitan Police force, the United States Park Police force, and the Fire Department of the District of Columbia," approved May 27, 1924, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5158) for reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes, and it was signed by the President pro tempore.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED DURING THE RECESS

Under authority of the order of the Senate of the 9th instant,

The PRESIDENT pro tempore announced that on February 12, 1946, he signed the following enrolled bills and joint resolutions, which had been previously signed by the Speaker of the House of Representatives:

S. 314. An act for the relief of Sigurdur Jonsson and Thorolína Thordardóttir;

S. 1101. An act for the relief of the estate of Manuel Rose Lima;

S. 1405. An act to authorize the President to retire certain officers and enlisted men of the Navy, Marine Corps, and Coast Guard, and for other purposes;

S. J. Res. 105. Joint resolution to provide for proceeding with certain rivers and harbors projects heretofore authorized to be prosecuted after the termination of the war; and

H. J. Res. 316. Joint resolution making an additional appropriation for the fiscal year 1946 for readjustment benefits, Veterans' Administration.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on February 12, 1946, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 314. An act for the relief of Sigurdur Jonsson and Thorolína Thordardóttir;

S. 1101. An act for the relief of the estate of Manuel Rose Lima;

S. 1405. An act to authorize the President to retire certain officers and enlisted men of the Navy, Marine Corps, and Coast Guard, and for other purposes; and

S. J. Res. 105. Joint resolution to provide for proceeding with certain rivers and harbors projects heretofore authorized to be prosecuted after the termination of the war.

INDEPENDENT OFFICES APPROPRIATIONS, 1947

The PRESIDENT pro tempore. The Chair will state that the unfinished business of the Senate is the independent offices appropriation bill. By reason of the failure of the committee to look into one paragraph of the bill, it will be necessary for more proof to be taken, and the Chair asks unanimous consent of the Senate that the bill may go over until Friday at noon.

Mr. HILL. Mr. President, in view of the statement of the distinguished Presiding Officer, who is also acting chairman of the Appropriations Committee, it is my intention to move a recess, unless Senators desire to present matters for the Record or transact routine business and not to proceed with the consideration of the appropriation bill.

The PRESIDENT pro tempore. Is there objection to the request that the unfinished business go over until Friday at noon? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AUTHORITY FOR PERFORMANCE OF CERTAIN FUNCTIONS AND ACTIVITIES OF THE STATE DEPARTMENT

A letter from the Secretary of State, transmitting a draft of proposed legislation to provide basic authority for the performance of certain functions and activities of the Department of State (with accompanying papers); to the Committee on Foreign Relations.

REPORT OF ARCHIVIST OF THE UNITED STATES

A letter from the Archivist of the United States, transmitting, pursuant to law, the eleventh annual report of the Archivist of the United States for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on the Library.

STATEMENT OF COSTS, CANCELLATIONS, AND MISCELLANEOUS DATA OF INDIAN IRRIGATION PROJECTS

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, the annual statement of costs, cancellations, and miscellaneous irrigation data of Indian irrigation projects for the fiscal year 1945 (with an accompanying statement); to the Committee on Indian Affairs.

PETITIONS AND MEMORIAL

Petitions and a memorial were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by San Francisco Lodge, No. 63, International Association of Machinists, San Francisco, Calif., protesting against the enactment of the so-called Case antistrike bill; to the Committee on Education and Labor.

A letter in the nature of a petition from Lillian Marcineak, of Detroit, Mich., praying for the immediate discharge of married men from the armed forces; to the Committee on Military Affairs.

A letter in the nature of a petition from Ford Local No. 600, UAW-CIO, Political Action Committee, of Dearborn, Mich., praying for the enactment of Senate bill 101, the Fair Employment Practice Act; ordered to lie on the table.

GEN. OMAR BRADLEY—RESOLUTION OF VETERANS OF FOREIGN WARS, EMPORIA, KANS.

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the Record a resolution adopted by members of the Lowry-Funston Post, No. 1980, Veterans of Foreign Wars, Emporia, Kans. The resolution commends Gen. Omar Bradley in his efforts in changing the operation of the Veterans' Administration, and condemns the recent attacks upon General Bradley.

There being no objection, the resolution was received, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas a seemingly unwarranted attack has been launched against Gen. Omar Bradley, able head of the Veterans' Administration, by a private individual with all the ardor and fervency of a Caesar Petrillo; and Whereas this post of the Veterans of Foreign Wars, after much experience and close contact with the work of General Bradley, a daily office routine in fact: Be it

Resolved by Lowry-Funston Post, No. 1980, That we do hereby commend Gen. Omar Bradley for his successful and commendable changes in the Veterans' Administration, which he introduced and secured by congressional action; be it

Resolved, That it is the considered judgment of the overseas veterans of the Spanish-American War, World War I, and World War II, here assembled, that General Bradley is using the same sound and conservative judgment in the care of returning veterans, in the securing of their inalienable rights in peace as in war, in seeing that their general welfare, their rehabilitation rights are firmly established, and that the boys are again positioned to enjoy life, liberty, and the pursuit of happiness equal to the place they occupied in the community before donning the uniform. These boys made the sacrifice of jobs, property, schooling, and society to enter service, and they bore the brunt of battle and its attendant ills and have a just claim to a fair start in returning to civilian life; and since General Bradley personalizes these rights; be it

Resolved, That we condemn all charges hurled against him from the side lines and rear echelons by private individuals, whatever the capacity of their vocal chords; and be it further

Resolved, That copies of this resolution be mailed to President Truman and all members of the Kansas congressional delegation.

LETTER AND RESOLUTIONS OF ARIZONA STATE FEDERATION OF LABOR

Mr. McFARLAND. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter I received from the Arizona State Federation of Labor, signed by Wade Church, together with copies of resolutions adopted at the thirty-fourth annual convention of that organization held in Phoenix, Ariz., on October 18, 19, and 20, 1945.

The PRESIDENT pro tempore. Without objection, the letter and resolutions will be received, printed in the RECORD, and appropriately referred.

To the Committee on Banking and Currency:

ARIZONA STATE FEDERATION OF LABOR,
Phoenix, Ariz., December 12, 1945.

Hon. E. W. McFARLAND,

United States Senate, Washington, D. C.

DEAR SENATOR McFARLAND: We are enclosing herewith copies of Resolutions 9, 10, 14, 16, 17, 18, 38, and 42, adopted at the thirty-fourth annual convention of the Arizona State Federation of Labor, held in Phoenix, Ariz., on October 18, 19, and 20, 1945.

Yours very truly,

WADE CHURCH,
Secretary-Treasurer.

"Resolution 38"

"Whereas under public law passed by the Federal Legislature returning veterans entitled to start or continue their education in a high school, college, or university of their choice; and

"Whereas many of them as returning veterans are entitled to start or continue their

education in a high school, college, or university of their choice; and

"Whereas many of the veterans are married and have families; and

"Whereas many of the schools are located in places that do not have sufficient housing for said veterans and their families: Be it

Resolved, That the Arizona State Federation of Labor here assembled recommend to the Federal, State, and municipal government that all in their power be done to have low-cost housing built and made available for the veteran desiring to continue his education.

"HELEN R. HALLADAY.

"THEODORE BERLIN.

"FRED A. BONE.

"M. W. STEVENSON.

"A. H. MOORE."

To the Committee on Education and Labor:

"Resolution 17"

"Whereas the continued prosperity of the American people is dependent upon the maintenance of the purchasing power of the workers; and

"Whereas one of the prime functions of the American Federation of Labor is the struggle to raise the wage levels of the American worker: Now, therefore, be it

Resolved, That the Arizona State Federation of Labor, in convention assembled, give its wholehearted support to the 65-cent minimum-wage bill, S. 1282, now in the United States Congress; and be it further

Resolved, That copies of this resolution be sent to the Arizona congressional delegation and President Truman.

"COMMITTEE."

"Resolution 18"

"Whereas Senator CLAUDE PEPPER, of Florida, and others, have introduced a bill into Congress raising the floor of the minimum-wage law from 40 cents to 65 cents; and

"Whereas such a bill, if enacted into law, will benefit all classes of working people through the country, both union and non-union: Therefore be it

Resolved, That this thirty-fourth annual convention of the Arizona State Federation of Labor hereby instructs its officers to apprise the Arizona Senators and Representatives in Washington of the federation's sanction of such a law, requesting their support for its passage.

"GEO. L. ALLISON.

"M. A. DEFRANCE.

"FRANK LUTHER.

"CHET WHELAN.

"MARSHALL E. JACKEL."

To the Committee on Military Affairs:

"Resolution 42"

"Whereas with the cessation of hostilities in all the far-flung theaters a great supply of surplus war equipment and goods has accumulated at home and abroad; and

"Whereas these surplus properties will not now be needed for the purpose for which they were originally produced; and

"Whereas the Government of the United States and its various departments have no further use for these commodities and products; and

"Whereas these goods have been paid for by the people of the United States through the purchase of war bonds; and

"Whereas it has come to the attention of the Arizona State Federation of Labor in convention assembled that some surplus goods have been deliberately destroyed at Army camps upon orders of higher authority; and

"Whereas the citizens of this country are desirous of obtaining certain classes of these surplus commodities for their own use; and

"Whereas the citizens are prepared to pay with cash or war bonds for what they require: It is therefore hereby

Resolved, That these goods be made available through State agencies as well as through dealers and/or commission brokers, such dealers to be confined to a reasonable profit, not over 15-percent net; and it is further

Resolved, That copies of this resolution be forwarded to our Washington delegation, to the Federal Surplus Board, to the Governor of Arizona, and to the press.

"COMMITTEE."

"Resolution 14"

"Whereas since the cessation of hostilities with Japan, war-contract terminations have caused either partial or total shut-down of the war industries of Arizona, thereby throwing thousands of workers out of jobs; and

"Whereas it will be necessary for the war plants of Arizona to operate at a peacetime productive level closely approximating their wartime level in order to provide jobs and a decent standard of living for the thousands of war veterans that will be coming to Arizona as well as the present unemployed war workers; and

"Whereas it will be impossible for Arizona to maintain its wartime growth and prosperity without the conversion and continued operation of its war-acquired industries; and

"Whereas a large pool of unemployed workers constitutes a threat to the wage standards and existence of organized labor; and

"Whereas the Surplus Property Board has disapproved of the sale of war plants to monopolistic corporations in order to stimulate industrial employment and lower market prices by competition: Now, therefore, be it

Resolved, That the Arizona State Federation of Labor, in convention assembled, do all in its power to see that the war plants of Arizona are converted to peacetime production by nonmonopolistic private interests; and be it further

Resolved, In the event that private industry fails to fully utilize and operate the aforesaid war plants for peacetime production, the Arizona State Federation of Labor shall demand that the plants be operated by either the city, State, or Federal Governments; and be it further

Resolved, That copies of this resolution be sent to the Arizona congressional delegation, President Truman, Governor Osborn, the press, and the Surplus Property Board.

(Reconversion Committee recommends that a standing committee be appointed to act for furtherance of these principles; said committee to continue as long as is necessary.)

"COMMITTEE."

Ordered to lie on the table:

"Resolution 16"

"Whereas the continued prosperity of the people of Arizona and the Nation is dependent upon the maintenance of the purchasing power of the workers; and

"Whereas the purchasing power of the workers is dependent upon full employment and full employment is not possible without full capacity production to provide 60,000,000 jobs; and

"Whereas the antilabor elements in Congress have watered down the original bill by amendments, thereby nullifying the main purpose of the bill, which was to assure jobs to all workers able and willing to work: Now, therefore, be it

Resolved, That the Arizona State Federation of Labor, in convention assembled, demands that the full employment bill be restored to its original form; and be it further

Resolved, That the Arizona congressional delegation is strongly urged to work for the restoration of the bill and its passage.

"COMMITTEE."

"Resolution 9"

"Whereas the right to vote is a great democratic principle which the American people hold dear; and

"Whereas millions of Americans, both black and white, are deprived of this right by the undemocratic device of the poll tax; and

"Whereas in Congress the largest bloc of die-hard enemies of labor come from the poll-tax States, which are instrumental in blocking legislation of vital importance to the American people as a whole; and

"Whereas their continued return to Congress, election after election, is mainly due to disfranchisement of a large portion of the qualified voters in their districts; Now, therefore, be it

Resolved, That the Arizona State Federation of Labor, in convention assembled, strongly urges Arizona's congressional delegation to vigorously support passage of H. R. 7, known as the anti-poll-tax bill, by voting for cloture to prevent endless filibustering and voting for passage of this bill; and be it further

Resolved, That Senator BARKLEY be sent a telegram urging him to give priority to H. R. 7 over the constitutional amendment; and be it further

Resolved, That copies of this resolution be sent to the National Anti-Poll-Tax Committee, Washington, D. C., and William Green, president of the A. F. of L.

"(Phoenix, Ariz., this 18th day of October 1945.)"

"Resolution 10"

"Whereas there is in America today a widespread form of racial discrimination; and

"Whereas this racial discrimination is not only unjust and undemocratic, but constitutes a great danger to organized labor's interest; and

"Whereas unless organized labor itself, takes the initiative to help eliminate this condition, it will be confronted with dire results, such as a large mass of discriminated unemployed Negroes, Mexicans, etc., threatening all other workers and their high wage standards; Therefore be it

Resolved, That the State Federation of Labor, now in convention assembled in this State, do everything within its power to make possible the establishment of a permanent FEPC, both nationally as well as in the State of Arizona; be it further

Resolved, That copies of this resolution be sent to President William Green of the A. F. of L., President Truman, all our Representatives in Washington, Governor Osborn, and the Eighteenth Arizona Legislature with recommendations that likewise they do everything possible to establish this FEPC.

"Done at Phoenix, Ariz., this 18th day of October 1945.

"D. A. BALDWIN.

"JOHN J. DURKIN.

"HARRY O. PAYTON.

"CHARLES A. SNOVER.

"J. L. BALDWIN."

REESTABLISHMENT OF COMMUNICATIONS AND BANKING SERVICES WITH GERMANY, AUSTRIA, AND HUNGARY

Mr. LANGER. Mr. President, I have a petition signed by some 30 citizens of Ashley, N. Dak., which reads as follows:

We, the undersigned citizens, respectfully petition the Government of the United States to reestablish postal, wireless, and banking services with Germany, Austria, and Hungary and to allow relief shipments of clothing, food, and other necessities to save the lives of millions of people in Germany, Austria, and Hungary.

I might say that more than a month ago the distinguished senior Senator from Michigan [Mr. VANDENBERG] presented a petition signed by more than a

thousand citizens of the State of Michigan. Time and again, Mr. President, since then I have filed petitions from various sections of the United States; but up to the present time nothing has been done by the Department of State. I am informed, to open up even the postal service so that citizens of this country who have relatives in Austria, in Hungary, and in Germany and Poland can write to them.

RESOLUTIONS OF SPOKANE PUBLIC FORUM

Mr. LANGER. Mr. President, I present and ask to have printed in the RECORD sundry resolutions adopted by the Spokane Public Forum on a number of different subjects.

The PRESIDENT pro tempore. Without objection, the resolutions will be printed in the RECORD.

Whereas our violation of neutrality in the internal affairs of China by United States armed forces is contrary to the principles we fought for; Be it therefore

Resolved, The Spokane Public Forum protest said violation; that we call for immediate withdrawal of American forces in China; that we condemn the use of American arms by any nation attempting to suppress the efforts of colonial people to win independence.

JACK C. KNIGHT,

JOE L. NAPIER,

HORACE H. SPALDING,

Resolutions Committee.

Whereas thousands of our citizens in public life and the Army are disfranchised by the Hatch Act; and

Whereas the Hatch Act boldly stands out the most asinine and diabolical piece of legislation enacted by the legislature; Be it therefore

Resolved, The Spokane Public Forum go on record demanding the immediate repeal of said vicious and un-American act.

JOSEPH E. NESBITT,

LILLIAS H. DEFOE.

Whereas 100,000,000 laying hens will be taken out of production at the turn of the year and other food surpluses will be dealt with accordingly for the purpose of price control; and

Whereas a report comes from Sidney, Australia, dated November 28, that United States equipment, including millions of pounds of gears, Hellcat fighters, jeeps, radio sets, dental outfits, windproof jackets, clothing, and tons of food are being dumped into the sea; and

Whereas millions of people are starving in Europe and Asia, we the members of the Spokane Public Forum protest such a program and suggest that surpluses in the United States and abroad be conserved and that all necessary supplies be speedily dispatched to where this need exists.

JOE D. NAPIER,

HORACE H. SPALDING,

JACK C. KNIGHT,

Resolutions Committee.

Whereas the British Government is now asking for a loan to maintain its system of exploitation; and

Whereas the British Government is now waging the most dastardly war, since their opium war in China, in modern history, against the people of Java, using late enemy Japanese troops and American equipment, for the purpose of returning the voluntary exiled Dutch exploiters to their lost power in direct violation of their solemn signature on the Atlantic Charter; Be it

Resolved by the Spokane Forum, That we direct our Representatives in Congress that

they vote against such loan to Great Britain until they withdraw all troops or assistance from all places where force is being used to destroy self-government of peoples.

JOSEPH E. NESBITT,

President.

LILLIAS H. DEFOE,

Secretary.

Whereas in response to Churchill's clever diplomatic plea for assistance to protect democracy from the Fascists, we financed them through lend-lease along with the help of our armed forces; and

Whereas the armed forces of Great Britain are now invading Java in behalf of the Fascist monarchy of the Netherlands; Be it therefore

Resolved, The Spokane Public Forum go on record protesting the military invasion of Great Britain, tending to continue the enslavement of Java by the Dutch; and

Whereas it is apparent that our lend-lease program is assisting Great Britain in hindering these colonial people from establishing the democratic principles for which we fought.

J. C. KNIGHT,

JOE H. NAPIER,

H. H. SPALDING,

Resolutions Committee.

Resolution on price control

Whereas we, the members of Women's Progressive Democrat Club, realize that the prospects of inflation are probably greater today than at any time since the war started; and

Whereas we are aware of the fact that following the armistice in World War I, competition for scarce goods resulted in prices rising faster than wages and in salaries and fixed incomes remaining practically stationary; and

Whereas we view with alarm an increasing pressure toward removal of price controls, and wish to do all in our power to avoid running the risk of the same disasters this post-war period; Therefore be it

Resolved, That we, the members of Women's Progressive Democrat Club—

1. Pledge ourselves to fight these inflationary forces which will increase our cost of living and threaten our financial stability.

2. Request our duly elected Representatives in Congress to help us in this fight by strengthening present price-control laws.

3. That copies of these resolutions be sent to the President of the United States, to Senator Warren Magnuson, Senator Hugh Mitchell, and Congressman Walt Horan, and to Price Administrator Chester Bowles.

Concurred in by Public Forum.

JOSEPH E. NESBITT,

President.

LILLIAS H. DEFOE,

Secretary.

RESOLUTION OF EDDY COUNTY (N. DAK.) FARMERS' UNION ADVOCATING MISSOURI VALLEY AUTHORITY

Mr. LANGER. Mr. President, I ask unanimous consent to place in the RECORD a letter I received from New Rockford, N. Dak., embodying resolutions adopted by the Eddy County (N. Dak.) Farmers' Union, signed by the president and secretary, advocating the creation of a Missouri Valley Authority.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

NEW ROCKFORD, N. DAK.,

December 18, 1945.

HON. WILLIAM LANGER,

United States Senate, Washington, D. C.

DEAR MR. LANGER: Whereas certain officials and small organized groups in State and National capacity are selfishly endeavoring to

retard economic progress by using false and ignorant propaganda methods in order to confuse and befuddle the minds of many American citizens to the true facts so that private corporations and some individuals may continue building wealth and power for themselves; and

Whereas most of this United States and its resources are practically undeveloped as far as serving mankind is concerned; and

Whereas technological and scientific research developments are sufficiently at our disposal to make in a few short years in this country an utopia compared to what 150 years of restricted progress has attained: Therefore be it

Resolved, That we members of the Eddy County Farmers' Union hereby, assembled in annual meeting at the Memorial Building in the city of New Rockford, N. Dak., this 18th day of December 1945, unanimously voted to support and fight for an all-out Missouri Valley Authority similar to the Tennessee Valley Authority, and keeping in mind for our future guidance the individuals and groups that are opposed to a progressive economic program that will render the greatest service to all mankind.

EDDY COUNTY FARMERS' UNION,
LELAND SHROYER, President;
LAWRENCE SANDERSON, Secretary.

RECOMMENDATIONS OF DEVILS LAKE (N. DAK.) CHAMBER OF COMMERCE ON LABOR LEGISLATION

Mr. LANGER. Mr. President, I ask unanimous consent to place in the RECORD a resolution adopted by the Devils Lake Chamber of Commerce signed by Lyle Harrington, president, of Devils Lake, N. Dak.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas after 4 years of the most horrible conflict in history we have emerged victorious only to be threatened by the paralysis of business and industry throughout the Nation, caused by the uncontrolled ambitions and demands of certain unions; and

Whereas almost from its inception business has been subject to Government regulation and held accountable for its acts on every score; and

Whereas unless Congress places appropriate controls on unions, the very foundation of the structure of American business will be destroyed by the proposal of the unions to seize the books of business through the innocent sounding Government fact-finding panels, virtually permitting them to dictate the specifications for production, sales, and administration of business, and thus rupture the American pattern of free enterprise that has developed the highest standard of living and wages on earth today: Now, therefore, be it

Resolved, That the board of directors of the Devils Lake Chamber of Commerce in meeting on January 15, 1946, does urgently recommend to the delegation from North Dakota in the Congress of the United States that the members of such delegation exert all possible effort to the enactment of legislation to:

1. Adjust basic labor laws to recognize industry as well as labor.
2. Prohibit union contracts in restraint of trade.
3. Establish effective penalties and preventive measures to avoid breaking of contracts by labor.
4. Require the same degree of legal responsibility of labor unions as from industry.
5. Make closed-shop contracts illegal.
6. Make legislative corrections of Supreme Court ruling permitting interference with traffic on highways.

7. Prohibit union contributions to political campaigns on the same basis as corporations.

DEVILS LAKE CHAMBER OF COMMERCE,
LYLE HARRINGTON, President.
DONALD J. DONOHUE, Secretary.

EXPEDITION AND DELIVERY OF BUILDING MATERIALS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Civic Club of West Fargo, N. Dak., requesting the enactment of legislation to expedite the delivery of building materials to the communities where they are needed.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CIVIC CLUB,
West Fargo, N. Dak., January 22, 1946.
Hon. WILLIAM LANGER,
Senator from North Dakota, Senate
Office Building, Washington, D. C.

DEAR SIR: At the annual meeting of our civic club on January 9 instant the following resolution was adopted which we submit to you for your support in Congress:

"Whereas there is a critical housing shortage in the community comprising Southwest Fargo, West Fargo, and Barnes Township as well as in the State of North Dakota as a whole; and

"Whereas the manpower, tools and required machinery are locally available; and

"Whereas servicemen are returning daily from service in the armed forces without being able to obtain housing facilities for themselves and their families; and

"Whereas the only obstacle in the way of providing adequate housing is the shortage of building materials; and

"Whereas building materials as now being channeled, are now going to large contract buyers and chain stores and prefabrication centers leaving the smaller building suppliers' stocks depleted; and

Whereas there is now no unity between the OPA and the lumber manufacturing industry which is causing a shortage of lumber used in home construction: Be it hereby

Resolved, That the Commercial Club of Southwest Fargo and West Fargo urge our Representatives in Congress of the United States to inaugurate and support the necessary legislation to expedite the delivery of building materials to the communities where they are so badly needed."

We plead with you, sir, to give this your whole-hearted support.

Yours very truly,
SOUTHWEST AND WEST FARGO CIVIC CLUB,
By M. E. PEDERSON, Secretary.

LOANS TO SERVICEMEN AND OCCUPATION OF PUBLIC LANDS BY THEM

Mr. LANGER. Mr. President, in view of the fact that we are planning on loaning England \$4,400,000,000, a subject which will be debated here in a short time, I ask permission to place in the RECORD two letters showing the rotten deal servicemen are getting here in the United States. First, I ask to place in the RECORD a letter received by me from Hazen, N. Dak., signed by Robert F. Fetch, together with a reply by Francis X. Pavesich, Director, Loan Guarantee Service, in reply to a letter written to him by me.

I also ask unanimous consent to have printed in the RECORD a letter received by the mother of a serviceman of Van Hook, N. Dak., together with replies

signed by William Zimmerman, Assistant Commissioner of Indian Affairs. This letter shows that in the matter of obtaining public lands veterans have no preference of any kind or character.

The PRESIDENT pro tempore. Without objection, the letters will be printed in the RECORD.

The letters are as follows:

HAZEN, N. DAK., January 9, 1946.

DEAR MR. LANGER: In regard to your very respectful and welcome letter, Mr. LANGER, I am so happy that I did hear from you. I respect you for such information.

Yes, I, too, am glad that I have returned from the service, and especially holding two citations from the service—the Silver Star and the Navy Cross medal. I have a perfect service record and was honorably discharged on June 12, 1945. My folks have been residents of North Dakota since their childhood, and have always farmed, and that makes me want to keep on farming, also. I plan to make it my career, too. So I got an FSA loan for \$2,500 to buy machinery, seed, and cattle, and I have my father's farm leased for 1 year. I tried so hard to get a loan large enough to buy this farm, but that's all I got. Seems like being a serviceman I should get a larger loan. I want very much to buy this farm of my father's, as he wants to sell quite bad. There is 400 acres of good land and buildings. There is 310 acres under cultivation, and the rest pasture, two coal mines, and plenty of running water, a good well, close to school, on and near mail route. I have sufficient machinery to take care of the land. I was 25 years old on September 10, 1945. And was married November 22, 1945. My wife and I would like so much to buy this farm.

My father's name is Nick Fetch, son-in-law of Bill Tjeden, of whom I am quite sure you knew Bill. We all were very grateful for all the good things you did for North Dakota while you were Governor of North Dakota.

This leaves myself of the best and the same stands for the rest of the folks around. Am hoping this finds you of the best, and that I hear again from you soon. My service records should be in the White House if you'd like to look at them. I wish you would, Mr. LANGER.

Like to hear from you soon.

Thanking you very kindly.

Yours sincerely,

ROBERT F. FETCH.

JANUARY 31, 1946.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR LANGER: Reference is made to your letter of January 28, 1946, and to the letter of Robert F. Fetch, of Hazen, N. Dak., which was attached.

It appears that Mr. Fetch has obtained a loan of \$2,500 from the Farm Security Administration to buy farm machinery, seed, and cattle, and has leased his father's farm for a year. He now wishes to buy the farm and to know if it will be necessary for him to repay the other loan before he can obtain a guaranty of a loan under the Servicemen's Readjustment Act of 1944, as amended.

As you know, the act does not give the Veterans' Administration the right to make loans, but authorizes it to guarantee loans upon application of an eligible and qualified veteran and his lender. It is not required that at the time of guaranty the veteran have no other indebtedness.

It is suggested that Mr. Fetch see some lender who makes farm real-estate loans and discuss his situation with him. The county agricultural agent in his home county can

probably furnish him the names of lenders interested in making loans for the purchase of farms. Lenders generally have the forms and know the procedure for obtaining guaranty. Any lender in North Dakota who does not may obtain the forms and information from the Veterans' Administration in Fargo, where the guaranties of loans for North Dakota are issued.

A qualified veteran may have \$4,000 or 50 percent, whichever is lesser, of loans for the purchase of farm realty guaranteed.

Very truly yours,

FRANCIS X. PAVESICH,
Director, Loan Guarantee Service.

VAN HOOK, N. DAK., November 19, 1945.
SENATOR LANGER.

DEAR SIR: Will you please tell me why the returning servicemen of this community that come back and want to farm and have none of their own and are unable to find any to rent, are absolutely unable to get one acre of Indian reservation land? Well, I can tell you. There are men here that farm thousands of acres down there that have never done one thing for their country (except invest some of their gains in war bonds, which is an investment) and will not let go of a quarter to any of these boys. Some I know have a section of land in their name, another in their wife's, another in their daughter's or son's in another State, another in some in-law relation or other. This in-law business of renting and running it all yourself is worked to death in lots of cases.

These fellows have stayed home, farmed big, gathered immense profits these years of good crops and good prices, and intend to go on doing the same. While our boys have gone to war, risked their lives, suffered miseries beyond description, been parted from home and loved ones, received \$50 per month for all this, and now they come back longing to get a piece of land and farm. None can be had for love or money. They are held firmly by the monied hands that stayed home through it all. I know you can't legislate against anyone buying or renting and I'm not foolish enough to expect it, but the Government has the say of this Indian reservation land. Why can't the people who had it during war years and made good on it, be compelled to relinquish it for servicemen. No serviceman to have more than one section and rigorous laws about wife, sister, in-laws, etc., names being used to hide behind for more. Give these boys a chance. You may think these big guns have a vote, and so they do, but it is chaff compared to the power of the American Legion.

If you want to do these boys that want to farm a favor, they'll never forget, get busy on this.

I am not talking for my own son who is home from service, because we can rent him our farm if he wants it, but I'm talking for justice to these other lads who make my heart ache to hear their longings to farm now they are back, and not a farm to be had save this Indian land and can't get any of that. Did you know that these big farms not only pay the Indian who leases them the land a part of the crop, but a bonus on the side? What chance for an ex-soldier?

I am signing my name to this but I want it kept strictly confidential, and nothing printed of this. You are the one to act, not I. I have to live here.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Chicago, Ill., January 15, 1946.
HON. WILLIAM LANGER,
United States Senate.

MY DEAR SENATOR LANGER: This is in reference to your letter of December 21, 1945,

enclosing a letter from one of your constituents of Van Hook, N. Dak., concerning the desire of returned servicemen to lease farming land. We are writing our local representative at the Fort Berthold Indian Agency as to the availability of lands for rental there, and will write you upon the receipt of his report. Your enclosure is returned herewith.

Sincerely yours,

WILLIAM ZIMMERMAN, JR.,
Assistant Commissioner.

UNITED STATES,
DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Chicago, Ill., February 1, 1946.

HON. WILLIAM LANGER,
United States Senate.

MY DEAR SENATOR LANGER: This is in reference, further, to your letter of December 21, 1945, enclosing a letter from one of your constituents of Van Hook, N. Dak., concerning the desire of returned servicemen to lease farming land on the Fort Berthold Indian Reservation. We are informed by our superintendent in charge of that reservation that all lands there are being leased in accordance with rules and regulations made by the Secretary of the Interior, under which there is no discrimination between servicemen and others. The leasing regulations provide that, as a rule, no person, firm, or corporation shall be permitted to lease more than 640 acres of farming land.

I sympathize with your correspondent in his desire to find a suitable location for men returning from the armed services. I am sure that the superintendent and members of his staff, in negotiating new leases, will have in mind the urgent needs of veterans and will make every effort to find land for them. Your correspondent overlooks the circumstances which surely you yourself have in mind, that the existing leases are all contracts which cannot be terminated except for cause or by mutual consent. It just is not possible to do what your correspondent asks, that the present lessees "be compelled to relinquish it for servicemen."

If there is any further information about this matter which you desire for your constituent, please let us know, and further inquiry will be made.

Sincerely yours,

WILLIAM ZIMMERMAN, JR.,
Assistant Commissioner.

PROTEST AGAINST PROPOSED LOAN TO GREAT BRITAIN

MR. LANGER. Mr. President, I ask to have printed in the RECORD a resolution dealing with proposed financial loan to Great Britain, which was denounced at an election meeting of the Pennsylvania State Directorate, American Association for Recognition of the Irish Republic.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PHILADELPHIA, January 11.—The proposed financial loan to Britain was denounced at an election meeting of the Pennsylvania State Directorate, American Association for Recognition of the Irish Republic, held here tonight.

"If there is any convincing reason why Britain should be granted such a tremendous sum of American taxpayer's money, and on such fantastic terms, we have not yet heard it," said John J. Reilly, national president.

Further denouncing the proposed loan, Reilly continued: "The ambiguous phrasing of the loan document constitutes an invitation to dishonesty. If we can afford such an expenditure, we should certainly consider our war veterans to be entitled to at least the same terms as the British. To this end, we should revise the GI bill of rights so as

to permit those young men to borrow at 1.6 percent instead of 4 percent, and without security, as is the case in the British loan terms.

"We should be prepared," Reilly continued, "to trust our own youth to at least the same extent that we trust the British—a nation that has violated eight solemn agreements made with us since the Civil War."

"It will be interesting," he continued, "to note the reaction of our ex-soldiers when they are to finance the Empire they so recently saved from political extinction."

Resolutions were adopted, condemning the loan, and also Britain's continued adherence to her foreign policy of imperialism.

CEILING PRICES ON BUTTER AND OTHER DAIRY PRODUCTS—RESOLUTION OF MINNEAPOLIS (MINN.) CIVIC AND COMMERCE ASSOCIATION

MR. LANGER. Mr. President, I ask to have printed in the RECORD a resolution adopted by the board of directors of the Minneapolis (Minn.) Civic and Commerce Association.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Minneapolis Civic and Commerce Association recognizes the importance of agriculture in its trade area, of which dairying provides the major source of agricultural income. It is also fully apprised of the part the great creamery system of the Northwest has played in the development of the dairy industry, and the fact that these creameries in the future as in the past will constitute the bulwark of defense in dealing with the problems of farm surpluses when normal conditions again prevail. They also constitute the foundation of success of a great business enterprise here in the Northwest.

Facts disclose that considerably less than half of the creameries in this trade area are now churning butter that were manufacturing butter before the war, and many of these may be compelled to close their doors and may not reopen. This situation is the result of policies adopted by the OPA in placing low-ceiling prices on butter and cheese while no ceiling prices has ever prevailed on cream. Misdistribution of the fat produced in this area has been accentuated by price control which has not been applicable to all phases of the industry and allocation for utilization of milk fat and solids that has caused extreme disadvantage to the production and manufacture of butter and cheese.

This situation is of extreme importance to both agriculture and business, and it is with this in mind that we, as the Board of Directors of the Minneapolis Civic and Commerce Association, urge that immediate action be taken to restore the industry to its proper place in our agricultural economy and a proper balance with respect to price relationships within the industry itself. To accomplish this purpose there should be:

1. Immediate restoration of war-food orders dealing with allocations which come under the headings of orders Nos. 79, 13, 8, and 93.
2. A new ceiling on butter and cheese that will restore these items to proper relationship with cream and other dairy products, governed by normal supply and demand.
3. A ceiling price placed on cream.

By the restoration of the proper price relationship between cream and butter and other dairy products, each section of the country will again be able to obtain its fair share of these essential foods.

Be it therefore

Resolved, That copies of this statement be sent to the following: The President of the

United States, the Northwest delegation in Congress, the Secretary of Agriculture, the Office of Price Administration, and the Chief of the Dairy and Poultry Branch of the Department of Agriculture in Washington, D. C. JANUARY 8, 1946.

Mr. LANGER. Mr. President, a parliamentary inquiry. Am I limited to 5 minutes at this time?

The PRESIDENT pro tempore. The Senator can proceed longer by unanimous consent.

Mr. LANGER. I ask unanimous consent that I may be given a few minutes more than 5 minutes.

The PRESIDENT pro tempore. The Chair thinks it would be well for the Senator from North Dakota to permit other routine business to be transacted.

Mr. LANGER. Very well.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HILL, from the Committee on Military Affairs:

S. 1185. A bill to change the designation of Custer Battlefield National Cemetery, in the State of Montana, to "Custer Battlefield National Monument", and for other purposes; without amendment (Rept. No. 928).

By Mr. GURNEY, from the Committee on Military Affairs:

S. 1657. A bill to amend Public Law 779 of the Seventy-seventh Congress, entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes," approved December 1, 1942, and for other purposes; without amendment (Rept. No. 929).

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

S. 1776. A bill to authorize the exchange of certain land at the Benicia Arsenal, Calif.; without amendment (Rept. No. 930).

By Mr. AUSTIN, from the Committee on Military Affairs:

H. R. 2240. A bill to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years of age for the purpose of computing longevity pay, or for other pay purposes; without amendment (Rept. No. 931).

By Mr. BANKHEAD, from the Committee on Irrigation and Reclamation:

H. J. Res. 136. Joint resolution changing the name of the Shoshone Dam and Reservoir to Buffalo Bill Dam and Reservoir in commemoration on the one hundredth anniversary of the birth of William Frederick Cody, better known as Buffalo Bill; without amendment (Rept. No. 932).

By Mr. McFARLAND, from the Committee on Irrigation and Reclamation:

H. R. 4932. A bill to amend section 9 of the Boulder Canyon Project Act, approved December 21, 1928; without amendment (Rept. No. 933).

By Mr. HATCH, from the Committee on the Judiciary:

S. 1105. A bill to amend the Hatch Act; with an amendment (Rept. No. 934).

By Mr. WHEELER, from the Committee on Interstate Commerce:

H. R. 2764. A bill to amend section 409 of the Interstate Commerce Act, with respect to the utilization by freight forwarders of the services of common carriers by motor vehicles; without amendment (Rept. No. 935).

INTERIM REPORT ON INVESTIGATION OF MATTERS RELATING TO FOOD PRODUCTION AND CONSUMPTION (S. REPT. NO. 936)

Mr. THOMAS of Oklahoma. Mr. President, on behalf of the subcommit-

tee of the Committee on Agriculture and Forestry, I ask unanimous consent to submit an interim report on Senate Resolution 92, providing for an investigation of matters relating to food production and consumption, and I submit a report (No. 936) thereon. I also ask unanimous consent that the report may be printed in the RECORD.

There being no objection, the report was received and ordered to be printed in the RECORD, as follows:

The Committee on Agriculture, to whom was referred resolution (S. Res. 92) providing for the investigation of matters relating to food production and consumption, makes the following interim report on the buying, selling, and handling of grain.

The committee had before it not only representatives of the Commodity Credit Corporation, the Department of Agriculture, and the Office of Price Administration, but representatives of the producers, dealers, exporters of grain, and officials of the Chicago Board of Trade. In addition, the committee gave consideration to confidential reports, also findings made by its special investigator. The findings of fact and recommendations herein are based upon the testimony and reports which, in the opinion of this committee, warrants immediate action.

FINDINGS OF FACT

1. The Commodity Credit Corporation has in effect ceased to function as a public corporation as was intended by the various laws creating and extending the life of the Corporation. With respect to the powers and duties of the said Commodity Credit Corporation, we find the following statement on page 17 of the Reference Manual of Government Corporations, prepared by the General Accounting Office as of June 30, 1945:

"The Corporation is authorized by the law to use its funds to encourage the expansion of production of any nonbasic agricultural commodity (commodities other than cotton, corn, wheat, tobacco, peanuts and rice) through a commodity loan, purchase, or other operation, so as to support, * * *"

"A price, for the producers of such commodities, of not less than 90 percent of the parity or comparable price therefor. * * *"

(NOTE.—The foregoing interpretation is based upon Public Law 147 approved July 1, 1941, and Public Law 729 approved October 2, 1942.)

Its funds are now being used by the various branch directors of the Production and Marketing Administration, a branch of the Department of Agriculture, to buy, store and sell commodities, domestically and for export, not only for other Government agencies but for UNRRA and foreign governments, all in competition with private enterprise.

2. The Under Secretary of Agriculture, who is also acting as President of the Commodity Credit Corporation, is so occupied with other duties as Under Secretary that he cannot give proper attention to the organization and administration of the Corporation.

3. The Director of the Grain Branch of the Production and Marketing Administration, who is also a vice president of the Commodity Credit Corporation, is using the corporation's funds to buy, store and sell grains, monopolizing the grain trade to the extent of restricting competition and depressing prices to the producers, especially during harvest seasons, when a majority of the producers sell their crops.

4. The Director of the Grain Branch of the Production and Marketing Administration purchases grain by secret negotiations or upon offers from preferred grain dealers, such purchases running into hundreds of millions of bushels annually. The committee could not find where any purchases of grain were made by the regular Government procedure or upon open competitive bidding.

5. The procedures used in buying, storing, selling grain as purchased by the Commodity Credit Corporation and later the grain branch of the Production and Marketing Administration, which are not subject to approval by the Comptroller General, are open to possible graft, collusion, and favoritism, depending solely upon the integrity of the employees of the branch to protect the interests of the Government.

6. Some branches of the Production and Marketing Administration issue reports of the day-to-day purchases that enable farmers, handlers, processors, and others to follow the current operations, and to know what commodities are bought, from whom, what grade, and at what prices. However, the Grain Branch, although requested by the trade, has refused to issue such reports, which has caused much dissatisfaction and suspicion as to its activities. The failure to issue such reports has contributed substantially to the present critical grain situation, as the public has not been kept properly informed of the purchases and sales of grain, both for domestic use and for exports.

7. The Office of Price Administration has announced that it will impose a ceiling on all rye, irrespective of the year produced, effective June 1, 1946, which will create a roll-back overnight to the producer, of an average of 75 cents per bushel from present prices. Rye, like wheat, is a world commodity and has a world price. The announced action, if followed through, will be nothing short of confiscation. Such action will depress the price to our producers just before harvest, far below the world price, discouraging much needed production and also encouraging an export black market as prices cannot be controlled abroad. Reports of crop conditions indicate at this time the 1946 crop will be only approximately 60 percent of domestic requirements with no allowance for exports.

RECOMMENDATIONS

1. The President of the Commodity Credit Corporation should be a well-qualified executive and should give full time to the organization and the administration of the Corporation.

2. The Commodity Credit Corporation should operate solely as a public corporation, with its president as its chief administrative officer and with an active board of directors.

3. The activities of the Commodity Credit Corporation should be confined to acquiring and disposing of surplus commodities to support farm prices as required by law, and refrain from acting as a monopoly or a dealer in competition with the private grain industry.

4. Daily reports should be issued by the Commodity Credit Corporation giving full information as to acquiring and disposal of all commodities so as to keep the public well informed as to its activities.

5. The Office of Price Administration should reconsider imposing its announced ceiling on rye and should rescind such announcement. No action should be taken which will discourage production or impose a ceiling below the world market.

ELMER THOMAS,

Chairman.

HARLAN J. BUSHFIELD,

B. K. WHEELER,

TOM STEWART,

Subcommittee.

PRINTING OF COPIES OF CERTAIN HEARINGS OF JOINT COMMITTEE ON ORGANIZATION OF CONGRESS

Mr. HAYDEN. Mr. President, from the Committee on Printing, I ask unanimous consent to report favorably, without amendment, a concurrent resolution (S. Con. Res. 52) authorizing the printing of 3,000 additional copies of the hearings of the Joint Committee on Organi-

zation of Congress. It is the understanding that 2,000 copies will be placed on sale by the Superintendent of Documents. I ask unanimous consent for the present consideration of the concurrent resolution.

The PRESIDENT pro tempore. Without objection, the report will be received, and the concurrent resolution will be considered.

There being no objection, the concurrent resolution (S. Con. Res. 52) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Joint Committee on the Organization of Congress be, and is hereby, authorized and empowered to have printed for its use 3,000 additional copies of the summary of hearings, index to hearings, and parts 1, 2, 3, 4, and 5 of the hearings held before the said joint committee

during the first session, Seventy-ninth Congress, relative to the organization of Congress.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the month of January 1946, from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who

are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
February 1, 1946.

HON. KENNETH MCKELLAR,
President pro tempore of the Senate,
Senate Office Building, Washington,
D. C.

DEAR MR. PRESIDENT: Pursuant to Senate Resolution 319, I am transmitting herewith a list of employees of the Senate Banking and Currency Committee who are not full-time employees of the Senate. Included with this list is the name and address of each such employee, the name and address of the department paying the salary of such employee, and the annual rate of compensation for each such employee.

Respectfully yours,
ROBERT F. WAGNER,
Chairman, Banking and
Currency Committee.

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Bertram Gross	613 S. Quincy St., Arlington, Va.	Reconstruction Finance Corporation	\$8,750
Doris Phippen ¹	40 Plattsburg Ct. NW., Washington, D. C.	Navy Department	2,650
Eve Zidel	24-C Crescent Rd., Greenbelt, Md.	Reconstruction Finance Corporation	2,650

¹ Temporarily borrowed from Surplus Property Subcommittee (S. Res. 129).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RUSSELL:

S. 1825. A bill to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended; to the Committee on Immigration.

S. 1826. A bill granting an increase in pension to John R. Robertson; to the Committee on Pensions.

By Mr. WALSH:

S. 1827. A bill to provide for the transportation of dependents of personnel of the Naval Establishment from overseas stations to inland destinations in the United States, and for other purposes; to the Committee on Naval Affairs.

By Mr. BUSHFIELD:

S. 1828. A bill authorizing the issuance of a patent in fee to Adella Charging Thunder; to the Committee on Indian Affairs.

By Mr. TYDINGS (by request):

S. 1829. A bill to authorize certain expenditures by the Alaska Railroad, and for other purposes; to the Committee on Territories and Insular Affairs.

(Mr. KNOWLAND introduced Senate bill 1830, to enable the people of Hawaii to form a constitution and State government to be admitted into the Union on an equal footing with the original States, which was referred to the Committee on Territories and Insular Affairs and appears under a separate heading.)

By Mr. McCARRAN:

S. 1831. A bill to cancel authority under the act of June 23, 1936, for the conveyance of certain lands owned by the United States to the city of Los Angeles, Calif.; and

S. 1832. A bill to repeal an act which withdrew certain public lands of the United States in the State of California from settlement; to the Committee on Public Lands and Surveys.

STATEHOOD FOR HAWAII

Mr. KNOWLAND. Mr. President, I ask unanimous consent at this time to introduce for appropriate reference a

bill and in connection with it to make a very few remarks.

It is a bill to give statehood to the Territory of Hawaii. Hawaii was organized as a Territory on June 14, 1900, and since that time has functioned as a Territorial government. In the election held in 1940 the people of Hawaii, by more than a 2-to-1 vote, expressed their desire for statehood. The companion bill to the bill I am now introducing was introduced a short time ago in the House of Representatives by the Delegate from Hawaii [Mr. FARRINGTON].

There being no objection, the bill (S. 1830) to enable the people of Hawaii to form a constitution and State government to be admitted into the Union on an equal footing with the original States was received, read twice by its title, and referred to the Committee on Territories and Insular Affairs.

HOUSE BILL REFERRED

The bill (H. R. 5060) to amend section 1 of the act entitled "An act to fix the salaries of officers and members of the Metropolitan Police force, the United States Park Police force, and the Fire Department of the District of Columbia," approved May 27, 1924, was read twice by its title and referred to the Committee on the District of Columbia.

AMERICA'S FOREIGN POLICY—ADDRESS BY SENATOR WILLIS

[Mr. BUSHFIELD asked and obtained leave to have printed in the RECORD an address on America's foreign policy, delivered by Senator WILLIS at the Mayflower Hotel, January 25, 1946, before the American Coalition, which appears in the Appendix.]

ADDRESS BY SECRETARY WALLACE BEFORE NATIONAL CITIZENS' POLITICAL ACTION COMMITTEE

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an address delivered by Secretary of Commerce Wallace

before the National Citizens' Political Action Committee, New Haven, Conn., February 8, 1946, which appears in the Appendix.]

ASSISTANCE FOR CENTRAL EUROPE—ADDRESS BY DOM ODO

[Mr. EASTLAND asked and obtained leave to have printed in the RECORD an address regarding conditions in Central Europe, delivered at the Willard Hotel, Washington, D. C., January 29, 1946, by Dom Odo, Duke of Wurttemberg, O. S. B., honorary chairman of the Central European Rehabilitation Association, Inc., and chairman of the International Catholic Help for Refugees and War Victims, which appears in the Appendix.]

POLICIES UPON WHICH THE PRESIDENT AND CONGRESS DO NOT AGREE—ARTICLE BY FRED BRECKMAN

[Mr. EASTLAND asked and obtained leave to have printed in the RECORD an article entitled "Policies Upon Which the President and Congress Do Not Agree," by Fred Breckman, from the National Grange Monthly for February 1946, which appears in the Appendix.]

NO GESTAPO AND NO DISCRIMINATION—EDITORIAL BY JOSEPHUS DANIELS

[Mr. HOEY asked and obtained leave to have printed in the RECORD an editorial entitled "No Gestapo and No Discrimination," written by Josephus Daniels and published in the Raleigh News and Observer of February 11, 1946, which appears in the Appendix.]

INCONSISTENT—EDITORIAL FROM THE CHARLOTTE (N. C.) OBSERVER

[Mr. HOEY asked and obtained leave to have printed in the RECORD an editorial entitled "Inconsistent," published in a recent issue of the Charlotte (N. C.) Observer, which appears in the Appendix.]

PUBLIC LAND GRAZING POLICIES—LETTER FROM CENTRAL COMMITTEE, NEVADA STATE GRAZING BOARDS

[Mr. CARVILLE asked and obtained leave to have printed in the RECORD a letter addressed to him under date of January 17, 1946, by the Central Committee Nevada State

Grazing Boards, dealing with public land-grazing policies, which appears in the Appendix.]

DISTRICT OF COLUMBIA SUFFRAGE—ARTICLE BY JESSE C. SUTER

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an article by Jesse C. Suter in support of the Summers-Capper bill, granting suffrage to the citizens of the District of Columbia, published in the Washington Star of February 10, 1946, which appears in the Appendix.]

CITATION AND INVESTITURE OF LEO T. CROWLEY—REMARKS OF ARCHBISHOP KILEY

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD the remarks of Archbishop Kiley made on the occasion of the citation and investiture of Leo T. Crowley as knight commander with star of the Order of Pius IX, on January 10, 1946, which appears in the Appendix.]

FOOD SAVING TO RELIEVE HUNGER IN EUROPE

Mr. JOHNSON of Colorado. Mr. President, in his broadcast Tuesday evening, February 12, 1946, over Station WOL, Mr. Albert Warner made this statement:

Secretary of Agriculture Clinton Anderson sampled today and found good the dark bread we will use so that more wheat may be sent overseas.

A former serviceman writes me the following letter:

"DEAR MR. WARNER: People in this country, without ever thinking about it, probably waste enough bread to feed 10,000,000 starving foreigners in this world bread crisis. When I was in service in Italy we fed scores of Italians on the bread scraps from the camp mess. Wherever my outfit camped, there were always Italian women and children lined up at chow time next to the GI garbage cans. They would stand there in the rain and sleet, barefoot in the cold and mud, begging the scraps off our mess kits after we finished eating.

"Now if those same pitiful women and kids could stand by the garbage pail in your kitchen and grab the waste food off the plates from your dinner table, they would be mighty happy for the chance, Mr. Warner.

"It would make you feel a little ashamed to see human beings living off your garbage, but you would still rather they did that than died. Of course, they can't be there, but maybe we can imagine that they are there, stretching out hungry hands for the precious scraps we throw away.

"Surely any man lucky enough to live in America where there is such a plenty of bread for everybody ought to be willing to eat those heels and bread scraps and save a few slices of bread each week, to leave more flour and wheat that this country can spare for people abroad.

"I'll make you a deal, Mr. Warner: I'll agree that not a scrap of bread will be wasted in the kitchen of my house if you will make the same promise for the kitchen of your house. And if enough people would do the same thing, there will be a lot less kids dying of bloated up empty bellies between now and next fall."

So writes this GI—it's a bargain he offers to everyone. A Nation-wide drive to save food would help to meet the crisis of starvation.

I agree with Mr. Albert Warner that the idea suggested is a splendid one—one which should have the attention of big-hearted America. The cause is urgent, and the remedy proposed is the least that can be suggested.

It is to be hoped that some public-spirited citizen will adopt the idea which is suggested and promote it on a Nation-wide scale, with the vigor and effectiveness shown by Mr. Henry Kaiser in the old-clothes drive.

RELIEF OF DISPLACED UKRAINIANS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted at a mass meeting of all organizations affiliated with St. Michaels Ukrainian Orthodox Church, held at Minneapolis, Minn., on December 16, 1945.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas in recent months many letters and much reliable documentary information have been received from various Ukrainian and American sources to the effect that on the territories of Germany, under present American, British, and French occupations, as well as in the adjacent western European states, there are now hundreds of thousands of Ukrainians who were liberated by the Allied armies from German concentration camps and slave labor; and

Whereas many of these stranded Ukrainians are now being classed as displaced persons and political refugees under Allied control, and who, in many instances, are being forcibly repatriated by Soviet officials, who employ cruel and brutal treatment reminiscent of the medieval ages; and

Whereas many of these displaced Ukrainians and political refugees originally came from the territories of western Ukraine, formerly under the rule of Poland, Rumania, and Czechoslovakia, and who never have been citizens of Russia or of the Soviet Union prior to the beginning of World War II, and who are unwilling to return to their native land, because they know they will be subjected to unjust maltreatment, deprivation of human rights, exile into the Asiatic domain of the Soviet Union or even to the loss of their lives under various false accusations and pretexts, but mainly because they are nationally conscious Ukrainians, and struggle for their national freedom and sovereignty; and

Whereas every man and living creature instinctively loves its native home and abode, and all of these stranded Ukrainians would like to return to their native land, but they know by bitter experience and previous maltreatment that only torture, exile, and even death may await them upon their return to the Soviet Union, and many who are forced to return prefer to take their own lives rather than to undergo the miseries and tortures in Soviet prisons, concentration camps at hard labor, or to meet death in exile in the Siberian wastes, or to be liquidated outright; and

Whereas the secret Yalta Agreement, which provides for the repatriation of the Soviet citizens liberated by the American armed forces, is basically unjust to those unfortunate Ukrainians from eastern Ukraine, who happened to be citizens of the Soviet Union, endangering their lives and essential freedoms by such repatriation which infringes upon the principles proclaimed in the Atlantic Charter and those incorporated in the Charter of the United Nations Organization, as well as many commitments by the Allied Governments in regard to the aims and purposes of Allied cooperation in the recent struggle against the various phases of aggression, in which justice, dignity, and worth of human beings may be threatened; and

Whereas the Ukrainian people, by their heroism and active participation in the organized Ukrainian armed forces, and through the guerrilla efforts on their native terri-

ories or in the service in the Allied armies throughout the world have immeasurably contributed to the Allied success in the recent struggle against the forces of aggression; and

Whereas among the Ukrainian displaced persons and political refugees there are to be found many relatives of American citizens of Ukrainian descent: Be it therefore

Resolved, That we, American citizens of Ukrainian descent, assembled at this mass meeting appeal to the Government of the United States as well as to the Allied Governments of western Europe, especially of Great Britain and France, in the name of the dignity of man and justice, as well as for the sake of the basic principles of which lasting peace is to be founded, that—

1. The American Government and western Allies provide the right of adequate asylum to all Ukrainian displaced persons and political refugees, driven by war from either western or eastern Ukraine, who now may be found either on the territories of Germany under Allied occupations, or are stranded in western sovereign states, and give them protection from forcible repatriations to the Soviet Union; and

2. That immediate efforts by the United States Government be made to create authoritative Ukrainian agencies, which in cooperation with the American Government and the Allies of western Europe may develop appropriate plans in order to resettle and establish these displaced persons in the countries willing to absorb them, and where they could find livelihood and a haven, without fear of persecution, reprisals, and unnecessary hardship; and

3. In the meantime equitable efforts be made to provide for the displaced Ukrainian people and political refugees now living in various zones of Allied occupations, supplying them with adequate food, clothing, shelter, and medical care until they could be satisfactorily resettled according to their own wishes, with the aid of the western Allied Governments. To this end American citizens of Ukrainian descent pledge their cooperation and assistance.

Mr. LANGER. Mr. President, "with liberty and justice for all" is a phrase that motivates the thinking of every good American. It was the cornerstone of this Nation. It was the heritage of Abraham Lincoln when he said that "government of the people, by the people, for the people shall not perish from the earth." It was incorporated in the Atlantic Charter, which bears upon the rights of people to select governments of their own choice by the will of the people themselves.

It is now our duty to see that the phrase does not sink into nothingness. We must see that liberty and justice for all are not mere words spoken rhetorically as we pledge allegiance to the flag, but living words breathed into actual facts. The great well of good will about which Wendell Willkie spoke in his One World is fast drying up in all parts of the world, as we allow power politics to prevail and minority groups to be persecuted.

It is my belief that unless we allow such national groups as the Jews, the Indians, the Indonesians, and the Ukrainians to express themselves through their own duly elected governments we are allowing to ferment injustices that will one day again boil into another world war.

In Europe there are 30,000,000 Ukrainians who for generations have been pawns in the hands of the Russians, the Poles, and the Germans. Today thousands are

scattered all over western Europe, homeless, starving, lonely, and afraid.

The Ukrainians have lived for centuries in the territory that is now one of the 18 Soviet Socialist Republics of the Soviet Union. Back in the time of the Russian Revolution the Ukrainians had their own Ukrainian National Republic and waged war to preserve its sovereignty. When finally it was overthrown by Russia, the struggle for freedom went underground. The Russians did all they could to quell the desire for freedom of religion and of press by a state-fostered famine in 1930, by banishments, and executions. Intellectuals and the clergy were the chief victims.

It is understandable that there was a mass exodus of Ukrainians westward soon after the World War started. It will be recalled that it was victims of persecution who trekked westward to the promised land of America and wrote the Declaration of Independence.

It is regrettable that the man who defined the four freedoms involuntarily helped to revive a form of slavery in Europe when he secretly agreed at the Yalta Conference that American military authorities had to deliver to the Soviet authorities those persons in American zones of occupation who were Soviet citizens in 1939. That secret agreement is now being ruthlessly carried out. It is directed especially at the Ukrainians, thousands of whom do not wish to return to the Soviet Union for fear of being banished or liquidated. In their desperate way, many of them are by committing suicide protesting this forceful shipment of people as mere cattle.

I might say, Mr. President, that some of them have relatives in the United States, many of them in the great State of North Dakota.

Because of unrest and dissatisfaction, Hitler undoubtedly believed that it was advisable to attack the Ukraine for he would find less resistance there. This was another of Hitler's miscalculations. The Ukrainians who remained, the bulk of the population, were Russians first. Ukraine resisted. Ukraine fought back. In fact, Ukrainian leadership in the Russian Army helped break the military might of the German Army.

The result, when the Germans overran the countryside, was that hundreds became handcuffed to the Nazi war lords and were sent into Germany to labor for the Reich. In the meantime their homeland was ravaged by armies that plundered as they advanced and carried out a scorched-earth policy as they retreated.

When the American and British arrived on the Continent, Ukrainians flocked to the American and British zones of occupation. One letter from a relative of a North Dakota farmer said, "We feel as if heaven beset the earth when the American and Allied armies liberated us and took care of us."

But now we have forsaken our role as protector of oppressed people and are actually forcing the return of Ukrainians to the USSR whether they want to go or not. If anyone is unable to prove he is not a Soviet citizen, he can be herded into a truck and secreted away.

It is hard to believe in this country, but many of these people, especially the intellectuals, are marked men, and face the prospect of death upon their return to Russia.

A letter written by a western Ukrainian leader of the democratic intellectuals and an admirer of Anglo-Saxon culture states:

We are in a very tragic situation. Our only hope is in God's mercy. If we are not worthy of it, we shall perish. American democracy has been for us a great disillusionment. We were persecuted by the Poles, we were persecuted by the Germans, we were persecuted by the Bolsheviks, and now under the democratic occupation our fate is uncertain.

It is high time that our professed principles of liberty and justice for all which have encouraged the peoples of the world for over a hundred years, be brought to focus again. Under the flag of the United States, every individual, regardless of color, race, or creed, should be granted liberty. He should not be forcibly tracked down like a criminal. A man has a right to his own political beliefs. If he is guilty of disagreeing with those in authority, he should not be forced to return to a country where such disagreement is synonymous with death.

We must give the Ukrainians an asylum where they will have freedom of speech, freedom of religion, freedom from want, and freedom from fear.

When we do this, we are recognizing and thanking the hundreds of thousands of veterans of Ukrainian descent in this country who fought so valiantly. As an example I cite the case of George Klym, of North Dakota, who fought bravely the Japanese invaders in the Pacific, and killed more than 20 of them even after the loss of his eyesight.

When we do this we are announcing to all oppressed peoples of the world that the words we speak so fluently come from the heart and are not merely "sound and fury signifying nothing."

The decisions reached at the San Francisco Conference are not helping the small races in their desire for self-determination. The great powers seem to be a law unto themselves. That state of affairs must cease if we are to have peace. It is high time the United States realized she is a country formed in the first place to resist persecution. She must take to heart the problems of people like the Ukrainians, the Jews, the Indonesians, and the Indians who are being treated unjustly. If we do not, the cantankerous boils caused by discrimination will burst open and the poison of hate will spread throughout the world, resulting in another World War.

SMALL BUSINESS AND CIVIC WELFARE (S. DOC. NO. 135)

Mr. MURRAY. Mr. President, the Senate Small Business Committee has been conducting some studies of small business and its relation to civil welfare. In this connection the committee has requested and received from the Smaller War Plants Corporation a report entitled "Small Business and Civic Welfare," which deals with this matter. I ask unanimous consent that it may be printed as a Senate document, with illustrations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. MURRAY. I yield.

Mr. LANGER. I should like to ask what the situation is in reference to the Big Inch and Little Big Inch pipe lines? What is the present attitude of the Senator's committee respecting the sale or leasing of the Big Inch and Little Big Inch pipe lines? Has the committee taken any action of any kind on that question?

Mr. MURRAY. The committee has not taken any action in the matter. It has carried on some studies, but it has not made any report on the subject. I think the matter is probably before the subcommittee of the Military Affairs Committee, headed by the Senator from Wyoming [Mr. O'MAHONEY]. The matter has only incidentally been looked into by the Small Business Committee, but it has not made any report on the subject.

Mr. President, as chairman of the Senate Small Business Committee, I wish to bring to the attention of the Senate a report which the committee is making public today—and which is being published in line with the committee's program to study and investigate problems of small business and to make available the findings of such studies to the President, the Congress and the people of the United States.

Along with the Senate Small Business Committee's concern with the day-to-day problems of small business throughout the reconversion period, is also its program to study and report upon broader economic trends affecting the interests or survival of small business. The increasing concentration of economic power in the hands of a few is one of our deepest concerns, and the report which is presented today deals with a vital aspect of this trend, the relation of small business to civic welfare.

War production has given great impetus to the concentration of industrial power—gains superimposed upon an already extremely high level of economic concentration. A few gigantic corporations are now responsible for the bulk of America's entire industrial production and employment. In 1944, 2 percent of the manufacturing concerns in the United States employed 60 percent of the industrial workers.

How does this concentration of economic power affect the general welfare of our cities and their inhabitants? This is one aspect of the concentration problem which has received little attention, despite its obvious importance.

The committee looks upon the report presented today as a pioneer study of its kind. Its material was made available through the cooperation of the Smaller War Plants Corporation, which has submitted the results of its findings on an over-all study of concentration trends to the Senate Small Business Committee for consideration. This report—the first in a series—was prepared by Dr. C. Wright Mills, associate professor of sociology at the University of Maryland, and by Mr. Melville J. Ulmer, who was senior economist with the

Smaller War Plants Corporation, under the direction of Dr. John M. Blair, formerly Director of the Office of Reports, Smaller War Plants Corporation. The committee's decision to publish the report came after a thorough examination of its methodology, validity and reliability of the findings by Dr. Dewey Anderson, executive secretary of the Senate Small Business Committee, who is also an authority in the field of social sciences.

The report reveals, for the first time, by scientific measures, that communities in which small business predominates have a higher level of civic welfare than comparable communities dominated by big business. As the report states, other studies of larger areas and more cities should be made to clarify the situation further, but even these tentative findings are so important as to warrant the careful consideration of all of us in America who are concerned with establishing and maintaining the forms of economic organization which will provide the most healthful and desirable way of life.

In urging my colleagues to read the copy of the report which will be supplied them, I can avoid taking up the time of the Senate, Mr. President, in a detailed comment on the data it reveals. The broad conclusions are—

First. That small-business cities provide a considerably more balanced economic life than do big-business cities. In small-business cities employment is more diversified, not only in numbers of firms and different manufacturing lines, but a much greater proportion of workers are engaged in wholesale, retail, and distributive pursuits. On the other hand, the entire pay roll of big-business cities are largely dominated by one or a few great industrial firms. The mere decision of one corporation to move its local plant to some other area would be sufficient for economic collapse in a big-business-dominated city. Unemployment is greater and fluctuations in wages and number of business enterprises are larger in big-business than in small-business cities.

Second. The gap between the incomes of the few very rich and those of the poor appear to be greater in big-business cities. In small-business cities a larger proportion of the population earn medium or high incomes, own their own homes, pay more taxes.

Third. The most important test applied to big- and small-business cities was the measurement of the general level of civic welfare—including such factors as health, housing, sanitation, education, and recreation. It was found, for instance, that an infant's chances of surviving his first year of life were greater in a small-business city than in a big-business city. Public expenditures on libraries—per capita—were 10 times greater, and on education—per student—20 percent greater in the small-business than in the big-business city. The development of a strong independent middle class was more evident in a small-business than in a big-business city, civic spirit more pronounced, and participation in civic activities more widely shared.

This report is not final, for Nation-wide studies should be made of this im-

portant topic. Even this limited exploration, however, presents conclusions which high light problems of deepest concern to those of us who would preserve and strengthen free enterprise. Economic concentration can never be justified if it tends to develop cities in which business instability is high and where there exists overcrowding—high infant mortality—low per capita public expenditures for education, health, and recreation—low per capita installations of electricity, gas, telephone—and lack of other improvements and necessities of life.

The Senate Small Business Committee hopes in further reports and investigations to trace the effects of economic concentration upon our national welfare and to present those facts forcefully to the Congress and to the American people.

THE STRIKE SITUATION

Mr. BRIDGES. Mr. President, I have just returned from a brief visit to New Hampshire during which I talked with hundreds of people. The people with whom I talked represented a cross section of every occupation of life. I want to tell the Senate that I have never found the people of New Hampshire more confused than they are today. They are not only confused but they are sick of conditions which prevail throughout the country. They are sick of strife and they are sick of strikes. At every turn I made I heard a demand for intelligent leadership.

The people of New Hampshire, as did all the American people, took wartime difficulties without complaint. They are not taking present conditions without complaint. There is no reason why they or any of the American people should.

Let me list a few of the items of which this greatest of all nations has always claimed an abundant supply but which today, apparently, only the chiselers can get. The people cannot get butter. They cannot get meat. They cannot get sugar. They cannot get shirts. They cannot get suits. Women cannot get stockings—any kind of stockings. No one can get underwear. Mothers cannot get diapers for their babies. There is no lumber for the repair of homes or for construction of new homes. There is not sufficient coal to heat the homes.

There is existing at this very moment in the State of New Hampshire and in the New England area one of the most critical shortages of all. I refer to the shortage of grain. For example, whole flocks of poultry which have been developed to very high standard over a period of approximately 40 years are already in forced liquidation. There is only a meager and disappearing supply of feed for poultry and other livestock.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. LANGER. I can tell the Senator, if he is interested, why his people are unable to obtain grain for poultry.

Mr. BRIDGES. Certainly I am interested.

Mr. LANGER. Our elevators in North Dakota are blocked with grain. Perhaps the chief reason why the Senator's constituents cannot obtain grain for poultry

and other livestock is that there is a shortage of boxcars. When I investigated the subject I learned that our Government had built 36,000 new boxcars for England; 2,000 new boxcars for Mexico; and 4,000 new boxcars for Argentina. If we had those, our grain could be transported to New Hampshire to feed poultry.

Mr. BRIDGES. The Senator from North Dakota has made a very interesting observation as to one of the contributing factors. There are other things to which I should like to invite the attention of the Senate. I was told by a flour manufacturer of New England that his concern had been in business for 80 years, and that this was the first time in 80 years that it had been unable to buy wheat from which to make flour.

The reaction of the returning serviceman is already beginning to set in. He is returning to a home front where conditions are almost as serious as any which existed in any of the theaters of war. The Army and Navy makes him a civilian, but he cannot get civilian clothes. He cannot get a suit of clothes or a white shirt. He cannot get underwear. He cannot buy an overcoat. I know a serviceman who is very close to me, who has been overseas and who had been seriously wounded and who has now returned to civilian life. He has been unable to buy an overcoat in the city of Washington to fit him. He is wearing now a coat I wore for years.

We tell the servicemen that they no longer have to live in barracks, but we provide no place for them to go. We tell them that they no longer must live on C or K rations, but when they return home they find that they cannot get the foodstuffs they have gone without so long. That is what they are up against when they return to this country.

I have told a little about the conditions which prevail in the United States, the greatest country in the world. This is an inadequate picture of a situation which is growing more serious every hour. I have heard the rumblings, Mr. President. I know that the people—certainly those in my section of the country—are sick of inaction. They are becoming convinced that those with authority to act not only are unwilling to act, but apparently lack the ability, the courage, and the vision to take the necessary steps to place this country on an even keel.

Something must be done, Mr. President. The farmers must have feed. We cannot simply drive the producers of food out of business. It does not make sense, because supplies on the market are meager. The farmers of New Hampshire and off all the other States of the Union deserve the consideration which will enable them to continue their operations.

In my State of New Hampshire there has been developed a large poultry industry. There has been developed in my State a breed of hens known as New Hampshires. This is the outstanding utility breed of poultry in the world. Hatching eggs and day-old chicks are shipped all over the country and all over the world. If those who have been building up this breed for the past 20 or 25 years and who have brought it to its present state of perfection are forced to

liquidate their flocks; their work will be set back 20 or 25 years.

These are conditions which we face, and there is no excuse for them. The men who are returning from the war deserve at least a shirt, a suit of clothes, an overcoat, and underwear. They deserve jobs, too. If those in high places do not know what to do, I hope they will be fair enough to tell the American people so and let the American people or Congress prepare to take some of the steps which are necessary to correct these conditions.

Mr. President, I have received a letter dated February 11, 1946, from Frederick E. Cole, commissioner and secretary of the New England Feed Conference, and also commissioner of agriculture of the State of Massachusetts. He states in the letter that some 300 representatives of farming interests, including farmers, members of the grain trade, commissioners of agriculture, and other agricultural officials from all over New England, met in Boston on February 8 to discuss the feed situation; and with his letter he encloses a copy of the resolution which was adopted there. I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF AGRICULTURE,
State House, Boston, February 11, 1946.
Hon. STYLES BRIDGES,
United States Senate,
Washington, D. C.

DEAR SENATOR: Three hundred representatives of the agricultural industry, consisting of farmers, the grain trade, commissioners and other agricultural officials from all of the New England States, met in Boston on February 8 to discuss the feed situation.

The attached resolutions were born in the desperation of the moment and in the fear of insufficient feed to meet minimum requirements. These farmers cannot stand increased prices for feed. The recommendations for increases in the cost of corn and byproducts were only admitted as a last resort to keep a supply coming into the area to meet the daily requirements of the stock on hand.

Our farmers are perfectly willing to make an adjustment in the numbers of poultry and request only that farmers in other sections of the country make a corresponding adjustment.

New England farmers have done well to maintain cow numbers as well as they have. They have not been able to increase during the war, in contrast to some sections of the country. The milk shortage that we have been experiencing since October is the worst remembered by present operators. It looks now as if there would be another milk shortage next fall. The amount of dairy feed coming into New England should not be cut 1 pound. These men however, with an unsubstantiated hope that somehow the income for their product would be increased to offset increased cost, have gone on record in favor of increasing the price of feed merely to get enough to meet current requirements.

These resolutions should be read carefully and interpreted as a desperate effort to meet a desperate situation. They try to present a solution that would not seriously endanger the price controls that are considered to be by ever-increasing numbers, a vital safeguard.

Please do your best to get some feed into this area at once. You can pledge an equi-

table adjustment of livestock numbers to fit the over-all grain supply in the long pull.

Very truly yours,

FREDERICK E. COLE,
Commissioner and Secretary, New
England Feed Conference.

REPORT OF THE SPECIAL COMMITTEE APPOINTED
AT THE NEW ENGLAND FEED CONFERENCE

Whereas New England livestock and poultry producers are facing an immediate and critical feed shortage; and

Whereas our New England citizens are largely dependent upon regional production of milk, eggs, and poultry for food: Be it therefore

Resolved, That the 300 representatives assembled here, consisting of farmers, feed dealers, commissioners, and other agricultural officials of all the New England States, recommend:

1. That the Government adjust the ceiling price of corn so that it is at least as profitable for corn producers to sell corn to regular trade channels as to feed it to livestock;
2. That the Government increase its effort to provide adequate transportation to effect an immediate movement of grain to deficit feed areas;
3. That Congress immediately establish its policy in regard to price control for the next fiscal year;
4. That all feeder and trucker differentials unfavorable to the movement of carload shipments of grain through normal trade channels be eliminated immediately;
5. That the Government adjust the ceiling prices of hogs to encourage marketing at lighter weights;
6. That Congress complete its study of the parity formula in the light of present conditions to the end that a balance between livestock production and feed supplies may result;
7. That the Government adjust the ceiling price of all by-product feeds to an equitable relationship with grain price.

RAYMOND G. BRESSLER,
Chairman.
FREDERICK E. COLE,
Secretary.

Mr. BRIDGES. Mr. President, in closing, I wish to say that although our Nation has vast natural resources and powerful forces of production, and although we have emerged victorious from a great war—the German war was over 9 months ago and the Japanese war was over 6 months ago—yet today we find that we are worse off in many ways than we were at the height of the war, and nothing seems to be done about it. Mr. President, it is time that the economic balance of this country is properly appraised, and it is time that steps are taken to correct the terrific and terrible conditions which hourly are growing worse all over this Nation. We need forward-looking and courageous leadership in high places—we are not getting it now.

ARGENTINE NAZI COMPLICITY—STATE
DEPARTMENT MEMORANDUM

Mr. HATCH. Mr. President, I have received so many telephone calls this morning and have heard so many comments with reference to the memorandum issued by our State Department with respect to the Argentine situation that I desire briefly to comment upon the memorandum.

The memorandum issued by our Government for release to the papers this morning is a comprehensive document dealing with Argentine Nazi complicity.

In a way, this memorandum constitutes a departure from the usual course of diplomatic dealings. It is a bold, frank statement of facts—facts which have been rather generally known for a long time. Heretofore, the situation in Argentina has been described by Department of State officials in general terms. Even though general, the statements have been sufficient for most of us to appreciate the existing state of affairs in our neighboring country. We knew Nazi and Fascist influences had been strong and that actual collaboration between Argentina and the enemy countries had been great even in time of war.

Notwithstanding this general information, the document this morning sets forth a bill of particulars, with a forthright statement of facts amounting to an absolute indictment of the present and preceding regimes in Argentina—to an extent shocking, even to us who have long believed this condition existed.

I do not know how this frank approach to a delicate situation will be received in our own country. Probably there will be some who will deplore the statement. There may be some who will accuse our Government of "meddling" where we have no business to "meddle"; and some may even say this is an indictment of internal policies of another nation, and, therefore, is wrong; that it is none of our business. If such an attitude on these or other points is taken I want to disagree in advance with such positions.

In the first place, the indictment brought by our Government against the Argentine Government does not relate solely to the internal affairs of that country. It does relate positively to Argentina's dealings with other and enemy nations, and which was a course diametrically opposed to the institutions of free government, not only in our own country, but in every nation of the Western Hemisphere. It rightly indicts and condemns a government within Argentina which would destroy, if it could survive and control, every vestige of free government in this hemisphere. That certainly is our business. It is the business of every nation in this hemisphere.

We not only have the right to expose and condemn openly such course of conduct in Argentina, but it is our duty and obligation to do so, not only in the interest of our own safety and welfare, but in the interest of the safety and welfare of every nation in this hemisphere and also throughout the world.

While it is universally accepted that any nation has the right to adopt such form of government as it may choose and to be free from external control or direction, nevertheless, that rule has long been subject to limitations.

Mr. BRIDGES. Mr. President, will the Senator yield at this time, or does he prefer to wait?

Mr. HATCH. No; I am glad to yield.

Mr. BRIDGES. I am interested in what the distinguished Senator from New Mexico is saying. I, too, have been interested in the memorandum issued last night by the State Department. I should particularly like to know how it could have been that, when our Government had assembled these facts, we should have been the nation which

recommended the admission of Argentina as a member of the United Nations, at San Francisco.

Mr. HATCH. Mr. President, the document itself deals with that point. If the Senator will read all of it, he will find that it is dealt with there.

Mr. BRIDGES. I am sorry I have not been able to read all of it thus far. I have read principally the newspaper accounts.

Mr. HATCH. I will say frankly that some of us disapproved of that action at the time, but the document itself deals with that situation.

Mr. BRIDGES. I thank the Senator.

Mr. HATCH. Mr. President, today, more than ever, it is generally recognized that no nation has the right to adopt a form of government notoriously opposed to the welfare of the society of nations as a whole. In proceeding as she did with setting up a totalitarian rule, destroying the freedom of her own citizens, collaborating with the Nazi powers, Argentina brought herself, by her own conduct, within the exceptions to the general rule that she had the right to pursue whatever course she might choose.

I have spoken generally of a rule long recognized by international law. Surely it is not necessary to point out that the course Argentina has pursued is in direct conflict with the principles, aims, and purposes of the United Nations Organization. Without discussing the propriety of her admission as a member of the United Nations Organization, a course of which some of us disapproved at the time, it may be pointed out that the covenant agreed upon at San Francisco contains provisions which, under the indictment brought by our Government, would be sufficient to warrant expulsion of Argentina from the society of nations created by that document. Certainly it was well within the province of our nation to submit this indictment, this plain, forthright memorandum, to our sister countries of this hemisphere. Surely we have actually furthered the solidifying of the nations of the Western Hemisphere by making this frank statement and suggesting the desire of this Government to receive the views of the governments of other American Republics.

Mr. President, I further approve this document because I have been one who has not agreed with the concealment of essential facts concerning relations with other nations, as has been so often the case when the ordinary diplomatic channels are followed. In an address made by me in the Senate on the 23d day of November, I strongly condemned the whole system of diplomatic negotiations which has existed for generations. I condemned secrecy, intrigue, and deception, in dealings among nations. I even said "that much of the misery of war and human suffering and sacrifice on the battlefields have been occasioned by the unholy acts of so-called diplomatic dealings among nations."

Only recently I have been disturbed by revelations of secret agreements and understandings which were not made known to the American people. While I fully realize that preliminary discus-

sions and negotiations cannot always be held in a public forum in the way we conduct our deliberations here in the Senate, nevertheless, every secret agreement which is revealed only impresses upon me more strongly than ever that the statement of last November that deception, intrigue, and secrecy only lead to greater evils than the evil at which they are sometimes directed, was absolutely correct.

Because I am so opposed to secrets and deceptive arts, I wholeheartedly approve the bold and comprehensive statement of the Argentine situation which has just been released. Let the consequences be what they may temporarily, nevertheless I am certain that in the long run the long-term relations between us and our sister nations in this hemisphere will be strengthened by this frank indictment of practices in one nation which, if permitted to grow and continue, might eventually spread into all other nations to the ultimate destruction of whatever freedom may exist today.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BRIDGES. Does the Senator believe that it would be constructive if the Foreign Relations Committee, of which the Senator and I happen to be members, were to look into this matter in some detail?

Mr. HATCH. I certainly do believe that it would be constructive. I think it would be most instructive and informative if every Member of this body were to take the document to which I have referred and study it carefully. I know how busy we all are. We receive these matters constantly in our mail, and we simply do not have the time to give them the detailed study which they deserve. But I think it is most important for every Member of this body, as well as every person in the country, to read this comprehensive and complete document.

DARK BREAD

Mr. CAPPER. Mr. President, I am sure that if going to "dark bread" in the United States will save human beings from starvation in Europe, everyone in the United States will make the change cheerfully. Changing the wheat extraction rate in milling flour from 72 to 80 percent will result in a darker, coarser flour. The Department of Agriculture estimates that, on the basis of 225,000,000 bushels of wheat, the change would make available as flour between twenty and twenty-five million bushels more than at the 72-percent extraction rate.

However, I myself am in doubt whether such a move will make more food for human beings. Under present procedures in milling, approximately 28 percent of the wheat which is milled comes out in the form of mill feeds for animals, particularly cattle and poultry. If the extraction is increased to 80 percent, the mill feeds residue is reduced by nearly one-third. Yet the number of animals, including poultry, in this country is still at almost an all-time high. The reduction in meat, dairy, and poultry products may more than offset the promised saving in wheat by going to dark bread. I am informed that it

is likely also to result in an increase in production costs for bread and pastries, as well as for meats and dairy products. This sudden discovery of the critical food shortages in the Old World and the sudden decision that one of the solutions is to make these overnight changes affecting the entire food and feed practices of the Nation are, I must admit, rather confusing to me. I am ready and anxious to divert to the starving people of the rest of the world every pound of food that can be scraped together for that purpose, and I am equally certain that that is the way all our people feel about it. But I am far from certain that this "robbing Peter to pay Paul" program will result in more food for a hungry world.

That part of the program which reduces the allowance of wheat and other grains for making alcoholic beverages is all right with me. Too much of our food and feed supplies are already being distilled and brewed into liquors and beer.

I was much interested in the reports of a press conference held by Secretary of Agriculture Clinton P. Anderson at which he said, in substance, that this is just another case of the United States Government making more promises—he used the the word "commitments"—than it can perform. The administration promised to hold corn-ceiling prices down, and the hog-price ceilings up until September 1946, at a ratio intended to get heavy hogs, because of the shortage of fats and oils. Now it is proposed to force the immediate marketing of all heavier than 225-pound hogs, and then place a penalty on hogs over that weight, offset by a premium on marketing lightweight hogs, to conserve feed supplies. The Secretary said further, that the food commitments to Europe are such that, if they are kept, the corn-hog promises cannot be kept. The corn-price ceilings, he is quoted as having said, cannot be changed. The European feed commitments must be kept. So the hog-price promise is the one which will have to be broken.

One of the reasons for the program undoubtedly is what some call "psychological." Britain has gone back to the 85 percent wheat extraction, and other peoples abroad are on the "dark bread" ration. Therefore, as our State Department sees it, these peoples will be better satisfied with their lot, and with the contributions which the United States make toward feeding them, if they know that the people of the United States also are sacrificing in their own eating habits. Furthermore, if the American people are being required to make sacrifices because of the desperate plight of the people of Europe, that fact ought to help condition the American people and the Members of Congress for approval of the loan-subsidies—officially loans—to Britain, Russia, France, and other nations who expect to get theirs following the approval of the \$4,400,000,000 loan to Britain.

It also seems to me that back of all these programs is the intention to get congressional approval of the extension of the price and material controls for another year, at least, and to extend and

increase the consumer food subsidies through which the Treasury—meaning all of us—is to help pay everybody's grocery bill to the tune of more than \$2,000,000,000 a year: And, of course, the more activities in which the Government engages, the more Federal employees will be required to carry on the activities.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks several telegrams dealing with this subject from citizens and business concerns of Kansas.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

BUHLER, KANS., February 9, 1946.

HON. ARTHUR CAPPER,
Senator:

The proposed drastic directives by our President seem most ill advised and unwarranted; neither will these regulations relieve the critical food shortage in any way. We think it high time that the Congress, who is the governing body in a republican form of government, make use of the right vested in them by the people and forthwith repossess such powers as were delegated to the Chief Executive for the duration of the war. In our Government the constituency who elect the Members of the Congress are directly responsible for what these elected representatives do or do not do. We, the people, are the Government whom you represent in Washington and we ask sound and sane legislation promulgated by those whom we elected. We sincerely plead that the will of the people be heeded religiously. We ask that your full influence and prestige be used to block the present directives of the executive department.

THE BUHLER MILL & ELEVATOR CO.,
HIEBERT.

TOPEKA, KANS., February 8, 1946.

HON. ARTHUR CAPPER,

United States Senate, Washington, D. C.:

The proposal by the President to lengthen the wheat extraction and produce a low-grade flour for domestic use is unfair to consumers and the baking industry. This action would lessen consumption of wheat for many years to come, which is unfair to wheat farmers. Either lowering standards or rationing of flour will increase an already serious problem for wholesale bakers as volume will decrease. Bread prices have not been permitted to advance while costs have steadily risen, and if volume is decreased, bread prices must rise. Lowering of volume of business means further unemployment. There is enough wheat in this country if Government will adopt proper methods to bring it out. Situation is serious and must not be tampered with.

JORDAN BAKING CO.,
By G. L. JORDAN.

JUNCTION CITY, KANS., February 9, 1946.

HON. ARTHUR CAPPER,

Senate Office Building,

Washington, D. C.:

Presidential orders to down-grade flour and bread place wholesale bread bakers in an untenable position with relation to present price structure. Volume production alone has enabled bakers to maintain 1942 price ceilings. This plan will seriously decrease volume of bakery production and will result in the long-term reduction in wheat consumption and the wheat farmers' income. If bakery products lose consumer acceptance now it will be years before we again reach 1946 levels.

KANSAS BAKERS ASSOCIATION, INC.,
J. H. SHELLHAAS, Secretary.

Senator ARTHUR CAPPER,

Washington, D. C.:

We are opposed to 80 percent mill extraction as American people will stop eating brown bread and that means a tremendous potential future loss of legitimate markets from our consumers. Our winter crop still looks good and should the Northwest also come through with bumper crop we will need all of the markets available and then some.

PUBLIC TERMINAL ELEVATOR CO.,
SAM P. WALLINGFORD, President.

FOOD AND HEALTH CONDITIONS IN EUROPE

Mr. WHERRY. Mr. President, on January 29, 1946, a group of Senators submitted a concurrent resolution asking the President of the Senate to appoint a nonpartisan investigating commission or committee to visit Europe and study there the food situation in not only our own zone of occupation, but in all zones in which we, as Americans, should be interested, and also investigate policies which are now in full force and effect to which we subscribed in the Potsdam agreement.

Several articles have been published relative to the resolution. I believe that one of the outstanding ones was written by Dorothy Thompson. It not only discusses the resolution, but adds some very timely observations which I think are of value to the Members of the Senate. I ask unanimous consent to have Miss Thompson's article printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON THE RECORD

(By Dorothy Thompson)

If President Truman's imposition of wheat controls and informal rationing comes as a shock to the American people, it is only because the facts about conditions in Europe have not been aired, but instead have been suppressed. Even now, President Truman's order does not illuminate the desperation of the situation. More can be learned from a discussion which took place in the Senate January 29, when Senator WHERRY, Republican, of Nebraska, introduced a concurrent resolution, signed by six other Senators, calling for a joint congressional group to make an official visit to Germany and other places to obtain information regarding conditions, and actions which might be taken to improve them.

The resolution states: "Whereas, reports reaching the United States from both Europe and Asia indicate that the policies of the major victors are subjecting millions to mass starvation; and whereas, the United States has been party to commitments and agreements reached among the victor powers which have led to these conditions; and whereas, Congress has been bypassed and the American people ignored in the formulation and implementation of these policies; and whereas, it is essential that Congress should obtain necessary information to request the President to take Executive action; therefore be it resolved * * * Whereupon follows the proposal for first-hand study and report.

The discussion attending the introduction of this resolution brought out innumerable facts regarding hunger and health conditions, especially in Germany, and revealed that attempts to interest the administration, both by congressional groups and by various overseas millions of the Christian churches, and Mrs. Dwight Morrow's Food for Freedom, had been coldly received in the White House. The discussion occupies 11 pages in the CON-

GRESSIONAL RECORD, and the facts revealed were not challenged by anyone, but no news service carried the story.

The only organized attempts to tell the American people the facts about starvation conditions have come from outside the Government, and in order to get real light it has been necessary to read church publications like the Christian Century, the Commonwealth, the Unitarian, and Quaker reports, etc., all of which have been predicting since fall exactly the state of affairs that the President now, very late, admits, and now, very late, takes steps to rectify. The situation was thoroughly aired in the British House of Commons as far back as October, but our administration made no move further to publicize the facts or to follow the warnings of Sir Arthur Salter that wheat stocks must be diverted from unnecessary uses if millions of human beings were to escape famine.

Mass appeals, participated in by thousands of Americans, to open Axis countries—where conditions are worst—to American relief, and to reestablish postal services for personal relief to relatives and friends have been ignored. The President is not ahead of the people. He is way behind those who have managed to learn what is going on. The real trouble is that the terrible disorganization caused by the war, accompanied by political demoralization and break-down in all the Axis countries, and highly unstable conditions in liberated Allied countries, have been compounded by the Potsdam program, which will go down in history as the blindest, most stupid peace program ever enunciated.

Compounded of Morgenthauism, revengeism, economic morosity, and the suspicions of the victors of each other; made to compensate the Poles for their loss of territory in the east by awarding them vast stretches of German territory in the west, which they have neither the proper governmental authority, the people, or the tools to resettle and manage; agreeing in principle to the evacuation from eastern countries of the entire German-speaking population, numbering 10,000,000 or 12,000,000; deciding for the immediate collection of reparations in the form of industrial plant and agricultural machines and implements; dividing Germany into five zones, only four of which are under the four-power command in Berlin, the Polish zone being left entirely to the Poles, who are themselves demoralized by the alienation of legitimate government and any army with disciplined morale; destroying not only the political but also the economic unity of Germany, so that there is no intercourse between the Rhinelands and Silesia or Leipzig and Munich—the Allies at Potsdam made what is now coming to pass with mounting horror an inevitability.

It meant a sentence of death on millions of German, Hungarian, and other European women and children.

Its results are reflected in an official report from the Russian zone, where infant mortality was 90 percent in November.

We must now make sacrifices to help undo what our own policies have contributed to create. We must get food, medicaments, and relief into the Axis countries, from which UNRRA is barred. Starving masses are soil for anarchy, chaos, crime, insanity, epidemics, nihilism. Conditions in parts of Germany duplicate the horrors of Buchenwald and Belsen—and all in the name of democracy, Christianity, humanity.

PRICE-CONTROL POLICIES

Mr. WHERRY. Mr. President, I invite the attention of the Senate to an article written by Frederick C. Othman entitled "Current Shirt Crisis Stirs Our Hero to Strong Words." In his humorous way, Mr. Othman brings out the difficulties in which we find ourselves relative to our nonflexible price-control program. I am quite sure that in nearly all

our committee meetings Mr. Othman has been present. At times, in his humorous way, he drives home arguments either for or against flexible price control, and his arguments are of timely interest. Here is one which appeared in a newspaper last Saturday:

**CURRENT SHIRT CRISIS STIRS OUR HERO
TO STRONG WORDS**

(By Frederick C. Othman)

The studious little men in long rows fiddle with their slide rules and make marks about the cost of living on their charts. Senator KENNETH WHERRY of Nebraska and I think they're blowing bubbles.

We believe they ought to get their noses out of their electric calculating machines, actually buy themselves a shirt—wow!—and guess again about the high cost of living.

NOW, ABOUT SHIRTS

The Senator told A. F. Hinrichs, Acting Commissioner of Labor Statistics, that his totals were screwy; that anybody knew the H. C. L. was far higher than the official figures showed. I remained neutral until the last of my old shirts, sorry day, went to the laundry and came back as locomotive wiping rags. I had to get new ones; that or a coat of paint.

There are plenty of shirts on sale in Washington; one leading haberdasher has shelf upon shelf of cotton shirts. The cheap ones I wouldn't even wear to a laundrymen's oyster roast. They cost \$7.95 each.

AND, OH, THE COLOR!

They come in gravy color, streaked with egg and/or cinnamon drops. They are the ugliest shirts, bar none, I ever saw.

The medium-grade shirts, a little better in quality and a little less wild-eyed in shade, sell for \$8.50. That's one for \$8.50, not four. Fool that I was, cold and desperate, too, I bought one of these. I've got it on now. It is the color of a cloudy day at sea, just before the dawn, but with white stripes every inch. I told the man it didn't look decent.

He said, no, it didn't. He said he'd show me his good shirts. I must report they were beautiful. They were in solid shades of soft yellow, blue, gray, green, and pink; they had good buttons properly sewn. The material was excellent.

BUT LISTEN

"Ten dollars each," the man said, "'They're going fast; you better stock up.'"

That made me sore. I told him I'd phone the OPA and that Chester Bowles, himself, would be over within 20 minutes to jail him as chiseler No. 1. He smiled a superior smile. He said he was used to hot-tempered but ignorant fellows like me.

Then, to help me, he showed me the OPA ceiling price tag on each shirt. He said the reason they were expensive was because the cloth was imported. "From Shangri La?" I demanded. "From Brazil," he said, "and made up special, strictly under all price regulations."

CALLING MR. BOWLES

Chester, what's going on here? Bureau of Labor Statistics, why don't you buy a shirt?

Statistician Hinrichs insisted his figures were correct, except for quality deterioration. He told Senator WHERRY he couldn't take every item going into his list of necessities and decide whether it was worth the price.

Let's take one item: My new pair of \$4.50 pajamas. They have no collar, they look sleazy, and they are speckled like a pup, but pajamas are pajamas.

TRICK OF THE TRADE

I put on the pants and drew the woven drawstring, and blooie! It busted. I pulled it out and it turned out to be two 1-foot pieces of drawstring, each sewn with three loose stitches to a doubled-up piece of cheese-

cloth. Only the woven cord showed; the cheesecloth was invisible.

What good is a pair of pajama pants that won't stay up? Chester, I'm asking you. Hinrichs, what do your statisticians figure pants like these are worth? You name the price and I'll sell 'em to you.

Mr. President, despite the humorous way in which the article is written, it drives home the unhappy fact that we are not getting production in the textile industry in this country, and the reason why we are not getting production is that we do not have a flexible price program.

I wish to thank Mr. Othman for this very timely article. Anyone who will go to a haberdashery store and investigate conditions will find that the problem is a real one. I know the situation is exactly as has been described by this newspaper columnist.

Mr. President, with that as a foundation I should like to state to the Members of the Senate that the Small Business Committee, over a period of 5 or 6 weeks, held numerous hearings on orders and amendments to orders and regulations which affect the production of some of the largest industries of the Nation. The small businessman is affected because the large industries are not in production. During the Christmas vacation, and during the intervening weeks since then, some of us have made a diligent study of the transcripts of the hearings before the Small Business Committee. From what appears in those transcripts five members of the committee have made a special report embodying their findings, and before Chester Bowles testifies Monday before the House Committee on Banking and Currency I think the findings by the five members of the committee should be printed in the RECORD. We had hoped to make it a majority report, but time does not permit the circulation of the report, if the Senate is to recess to Friday.

I ask unanimous consent at this point, Mr. President, that this special report of five members of the Small Business Committee, be considered as a report which will be filed as a minority report in the event a majority report shall be filed which the entire membership cannot sign. I thought first that I would ask that the report be inserted in the RECORD, but so important are the findings, that if the distinguished acting minority leader does not object, I should like to read them into the RECORD, and I think it will take me about 15 minutes. Is there any objection to my request?

Mr. HILL. To the request that the Senator shall read the findings into the RECORD?

Mr. WHERRY. Yes.

Mr. HILL. Of course, the Senator is well within his rights in doing that.

The PRESIDING OFFICER. The Senator can have the report inserted without reading.

Mr. WHERRY. If it goes into the RECORD in that way, it must appear in small type. I do not like to take the time of the Senate with only the two leaders present, but I believe that for the RECORD the report should be in the body of the RECORD, and I think it should be printed in a form that will be readable.

The PRESIDING OFFICER. It will be in the body of the RECORD, anyway, but will be printed in small type.

Mr. HILL. The Senator could have it put in the body of the RECORD; but the Presiding Officer is correct in saying that it would appear in small type.

The PRESIDING OFFICER. It will be in small type in either event, whether the Senator from Nebraska reads it or not, and it will appear in the RECORD in exactly the same place.

Mr. WHERRY. Am I to understand that if I read this as my report, it will be in small type in the body of the RECORD?

The PRESIDING OFFICER. The Chair is advised that under the rules that is the way it will appear.

Mr. WHERRY. It is not yet a report. It represents the findings of five members of the committee, and my understanding is that it will have the force of any other observation in the RECORD.

The PRESIDING OFFICER. The rule of the Joint Committee on Printing controls as to the character of type used.

Mr. WHERRY. Is it the ruling of the Chair that the rules of the Joint Committee on Printing provide that it will be printed in small type, anyway?

The PRESIDING OFFICER. Yes. The Chair is advised that, under the law, the Joint Committee on Printing determines such matters and gives instructions which control the Government Printing Office. Whatever the rule is, it will be followed.

Mr. WHERRY. Mr. President, I know of no rule which requires that if a Senator makes a speech on the floor of the Senate or reads something on the floor of the Senate it must appear in small type. My understanding is that such matter would be a Senator's own words, and would be printed in the same type as any of his speech. Am I correct?

The PRESIDING OFFICER. Of course, all speeches are printed in large, or 7½-point, type, but all excerpts, reports, articles and statements by others appear in small type.

Mr. WHERRY. Mr. President, I abide by the decision of the Chair, and I shall call attention to the topics which are discussed in the report. I ask, then, that the report be printed in the body of the RECORD following the observations I may make.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. WHERRY. Mr. President, the first part of the report, as I started to say, gives the reasons for making the investigation. It goes quite thoroughly into the different regulations and the orders which have been issued, and their impact upon business generally, especially upon the small businessman.

All people are in agreement with the premise that the stabilization of our Nation's economy is an objective toward the attainment of which it is the private and public duty of every citizen to strive with the same unrelenting singleness of purpose and tireless zeal that characterized our national effort toward the defeat of our enemies in war. All are equally in agreement with the premise

that increasingly abundant production is our best defense against inflation and our principal bulwark against the inevitable ravages of unemployment and the devastation of deflation.

I think we can all start from the premise that what is necessary is to get maximum production. As to the question of how to arrive at maximum production there are two schools of thought. I happen to believe that it is necessary, in order to get production, that business be permitted to operate under flexible prices. It is my contention, and that of the other Senators who signed the report, that unless maximum prices are so fixed that a profit may be made, production will not be obtained, and if we fail to get production, we will not be able to control inflation. There are others who feel that under Chester Bowles' system, now in operation, which is not flexible and under which only prices are controlled, we will somehow get production, but all the experience we have had since VJ-day establishes that the contrary is true, and the result is we are not getting production.

We have lived under that policy since VE-day, for nearly a year, and the fact is that we have not achieved maximum production in any of the industries of this country; so we cannot help coming to the conclusion that something must be done. We must either control all the factors that go into prices in order to set prices which will be stabilized with the wages of labor, or we will have to have price increases which will permit production, where increases in wages are granted.

We members of the Small Business Committee have found that the cost of living has gone even higher than is indicated by the statistics given out by Chester Bowles and by those prepared by different labor organizations. I think there is no dispute that we have discovered some hitherto hidden increases in the actual figures. I think there are places where wages must be increased. Where wage increases are made, we have to consider what the prices will be for the goods produced by that labor, because if we increase the cost of wages and materials to the point where manufacturers cannot produce at a profit we will not get production, and if we do not get production we cannot control inflation.

This is not a partisan view; this is not a party problem. It is the gravest problem the Nation faces. We must get production.

We begin on page 3 of the report with a statement under the heading "Contending arguments." The contending arguments of the two schools of thought on the subject are given in detail.

The next heading in the report is "The problem presented." That is the problem as to how vitally needed production can best be obtained.

On page 5 of the report we consider "Current economic factors." Under that subheading we go into the current economic factors which must be considered if we are to have a sound price program for our present needs.

Then we take testimony from the transcript and reveal it to Members of the

Senate, if they care to read it, and every Senator ought to read it, because if we are to control inflation, one way of doing so is to obtain production, and if we are to have price control for the next year and a half, all sections of the country, especially the cotton section of the South, are interested in profits sufficient to produce materials in order to give the consumers of the country the goods which they so badly need now, goods which are in great demand, but are scarce in the market.

All of us are interested, I am sure, not only in the production of raw materials but in seeing to it that other segments of industry shall fabricate the raw materials into the products demanded by the people of the country. We are interested in seeing to it that prices are sufficient to bring about abundant production and thereby enable us to eliminate the black market and do away with the high prices which were described by Mr. Othman in the news release I mentioned a moment ago respecting shirts.

Beginning on page 7 of the report we discuss existing legislation and how in the past it has been changed from time to time to meet current needs. We point to war standards being pursued today although our needs have changed.

On page 9 of the report we find the heading "Effect of postwar price administration." Under that heading we discuss what the effect will be under the present system without any amendment being made to the Price Control Act. That subject is discussed in detail.

Throughout the report we refer, in notes at the bottom of each page, to the transcript of the testimony offered by Government officials, by businessmen, by producers, by those representing labor, and by those representing management. We submit a very comprehensive report to the Members of the Senate. That is especially true with reference to the discussion of the effect of postwar price administration.

Beginning on page 13, we discuss the question of price and business incentive. A question the Senate will have to consider is, Can we get production without business incentive? Can we get it by allowing producers only to break even or by requiring them to stay in business at a loss? How do we want to provide the incentive? What do we want to pay to provide it?

Let me give an illustration. It will be recalled that about a year ago we were confronted with a difficulty respecting production of milk. The distinguished minority leader [Mr. WHITE] will remember that situation. There was a scarcity of milk, and we could not get a sufficient production of milk. I recall distinctly that one morning 17 Senators met under the chairmanship of the Senator from Vermont [Mr. Aiken]. The Administrator of Production appeared before us, as well as the Administrator of Price Control and the Secretary of Agriculture, and the head of the Commodity Credit Corporation, and of the Reconstruction Finance Corporation, and others who were interested in this subject matter. The purpose was to find out how greater production of milk could be had. What was

the best way to obtain greater milk production? Was it by the subsidy payment incentive route, or was it by the route of passing the increased cost on to the consumer? Whether one believes in the subsidy payment incentive route or the route of passing the increased price through to the consumer is entirely aside from the question. If it is necessary that there be price increase made in order to obtain increased production, then that price increase must be had, whether it goes through the subsidy route or through to the consumer. That is the matter which is discussed beginning on page 13. It was finally determined that it was necessary to increase price paid for milk 3 cents a quart in order to obtain increased production. When that price increase was made production increased, and milk became available. We got the milk, however, through the subsidy route. It was the contention made by those of us who are of the old school that the 3-cent increase should be granted, but that the price increase should be passed on directly to the consumer. I do not believe in the general policy of the subsidy. But in this case we obtained increased production through the subsidy incentive.

What do Senators want to do? This subject was ably discussed by the senior Senator from Georgia [Mr. GEORGE] on a previous occasion. He asked whether we wanted to obtain increase production through subsidies, or through the establishment of a price policy and also a comparable wage policy, in order that production could be increased and consumers could buy the things they need. Shall we establish a policy of increasing the price paid to industry so it may make a sufficient profit to enable it to bring about maximum production? I think both sides of that question are ably discussed beginning on page 13 of the report. On page 16 we find the heading "Need for suitable controls." I do not think any Member of the Senate wants inflation. We are all trying to curb inflation. We all agree on that matter. Some Senators feel we should immediately lift controls. Other Senators feel we should go along with the present controls which are not flexible. Others again feel we should have a flexible price control program in order to increase production; so beginning on page 16 of the report we discuss the need for suitable controls.

Mr. President, while I have many times resisted the policies of OPA, I am one of those who believe—and I want this indelibly stamped on the minds of Senators—that if we can obtain suitable controls, that is controls which are sufficiently flexible to assure production by establishing a maximum ceiling price, that can be done, providing all other factors which enter into the matter are likewise controlled. All other factors must be controlled as well. If not, it is my personal feeling that we can get along better without the price stabilization program we now have.

On page 21 of the report we make four recommendations. The first is:

That the maximum average price regulation and any and all regulations issued in whole or in part in pursuance of the cost

absorption policy presently being administered to be withdrawn and rescinded.

That, Mr. President, must be done if we are to get maximum production. The Price Administrator has no right to step into a private contract and take out of it, let us say, a 5-percent dealer's commission, which has been established through the years of competitive enterprise, and give it to some other segment of industry. If any saving at all can be made, it should go to the 140,000,000 people of this country, and should not go to one particular segment of an industry to which the Price Administrator might give it in order to secure production.

Furthermore, when we step into the field of the sacred rights of contract and take away what an individual has rightly earned down through the years, or will earn, based upon a traditional percentage mark-up which has been established by the competitive free-enterprise system, then we are taking away the rights of the individual. Such a thing should not be tolerated on the part of the Price Administrator.

The second recommendation is:

No maximum price shall be established or maintained for any commodity under authority of this act or the Stabilization Act of 1942, as amended, or otherwise, (1) below a price which will reflect to producers, manufacturers, wholesalers, distributors, jobbers, and retailers dealing in such commodity a percentage profit per unit, based on current costs, equal to the average percentage profit per unit earned during the calendar years 1937 to 1941, inclusive, or (2) which will reduce or result in the reduction of trade discounts or percentage mark-ups, with respect to such commodity, below the average established trade discounts or percentage mark-ups applicable with respect to such commodity during such calendar years.

The third recommendation is:

That Congress declare the obtaining of production paramount to the maintenance of existing price levels and prescribe legislative standards to assure that price controls be exercised in a manner calculated to secure maximum production.

I think all Members of the Senate can agree with that recommendation. We go even so far as to say—and I think it is correct—that possibly greater production could be obtained if production and price control were under one head, under one branch of the Government, because at this very time there is a constantly increasing breach between the branches of Government which are responsible for production and for price control. I am one who believes that if we could combine the two and put them under one head, and make one head responsible for price control and for production, we would have a much better stabilization program.

The fourth recommendation is:

That the appropriate committees of Congress give immediate consideration to legislation restoring jurisdiction to the District Courts of the United States to hear and determine any and all questions which may be raised by persons affected by any regulation promulgated under the authority of the Emergency Price Control Act and under the authority of any legislation which may be enacted in lieu thereof.

If that recommendation were carried out, Mr. President, the people of this

country would once again be free to go to their own local Federal courts instead of going through a no-man's land of OPA reviews only to wind up in a war court at the end of the labyrinth. The individual would be given his day in court which he does not have now because under present law if OPA issues an order which puts an individual out of business because he cannot operate under it, he has no right to go into the district court and obtain a restraining order setting aside the OPA order and allowing him to operate until a judicial decision is made.

In all the years during which the Republic has existed in every civil action and in every criminal action the right to appeal to any court of law has been in existence. Why should we not have it under the Price Control and Stabilization Act? What is done now? An order is issued, and in effect it is said, "You must operate under this order, even though it may take 6 months to get a judicial decision, and in the meanwhile you are wiped out, because the order discriminates against you."

Mr. President, it is only American justice that the citizen be given the right to go into a civil court of the land and there challenge the order and obtain a judicial decision, and prior to the time the judicial decision is made he should have the right to enjoin the Price Administrator from enforcing an order which is illegal and unjust, and which discriminates to the extent that it puts a man completely out of business.

Finally, if the determination is not made in the lower court he should have the right to appeal to the circuit court and then to the Supreme Court by certiorari. Why should he not have that right? What is done now is to protest the order to OPA and appeal to some department in the administration, and then go to the Emergency Court of Appeals, instead of being able to go to the Federal court in the individual's home State. A man charged in Nebraska must go all the way to Washington to this one departmental court in order to obtain judicial relief. This is wrong and should no longer be tolerated. The existing situation must be rectified, and I believe that my amendment will do it.

Mr. President, I did not intend to speak as long as I have spoken about this report. I hope Senators will read the report, and that Chester Bowles will read it before he testifies before the House Committee on Banking and Currency on Monday morning. I am satisfied that he should be made responsible for production and prices as well. We must have a price control program under which we can achieve production, because production is the only thing that will enable Chester Bowles or anyone else to whip inflation.

EXHIBIT 1

VIEWS ON EXISTING PRICE-CONTROL POLICIES
BY SENATORS WHERRY, BUCK, CAPEHART,
WILSON, AND CAPPER, MEMBERS OF THE
SENATE SMALL BUSINESS COMMITTEE

FOREWORD

Soon after the cessation of hostilities it became increasingly evident that it would be necessary to examine Government policies regulating and affecting small business en-

terprise. Small business is such a substantial force in the national economy that the problems of one are synonymous with those of the other. Internal factors affecting the domestic economy in the transitional period challenge the sufficiency of the policies and the forces of Government to meet the needs of the Nation's economy. The following report deals with that problem in the light of developments which have ensued since the cessation of hostilities. It is respectfully submitted to the Congress and through it to the Nation in the hope and belief that it may tend toward the proper solution of that problem.

February 13, 1946.

KENNETH S. WHERRY,
C. DOUGLASS BUCK,
HOMER E. CAPEHART,
GEORGE A. WILSON,
ARTHUR CAPPER,
United States Senate.

The Senate Small Business Committee, charged with the duty of studying the problems of the Nation's small business enterprises, is seriously concerned with the numerous and insistent complaints emanating from all parts of the country that businessmen engaged in almost every field of endeavor are experiencing hardship and difficulty in their activities as a result of certain price and other regulatory restrictions imposed upon them by OPA. Hearings were called and for 3 weeks the committee heard testimony from witnesses as to their day-to-day experiences under OPA regulations and their administration. The Price Administrator and others charged with the administration of these regulations testified, as did Government officials whose activities and functions bore upon the problems and were germane to the matters raised. The committee heard the testimony and views of officials, economists in private and public life, merchants, large and small, and those of other public-spirited individuals who gave sincere voice to their grievances, experiences, beliefs, and contentions.¹

Among those who appeared before the committee were persons who urgently insisted upon the immediate discontinuance of further governmental regulation and supervision of business activity, advocating the prompt return of the free, competitive system of enterprise which prevailed prior to the imposition of the controls authorized by the Emergency Price Control Act and other wartime legislation, as well as others who with similar urgency insisted upon a continuation of existing regulations. These views, though diametrically opposed and wholly irreconcilable, were urged with equal vigor upon the committee as they have been and are being urged upon the Congress and other departments of Government.

It is common knowledge that persons in every walk of life and in every field of endeavor are divided in their views concerning this problem. However, the testimony before this committee established that, the conflict of opinion and the diversity of their views notwithstanding, all people are in agreement with the premise that the stabilization of our Nation's economy is an objective toward the attainment of which it is the private and public duty of every citizen to strive with the same unrelenting singleness of purpose and tireless zeal as characterized our national effort toward the defeat of our enemies in war. All are equally in agreement with the premise that increasingly abundant production is our best defense against inflation and our principal bulwark against the inevitable ravages of unemployment and the devastation of deflation. Here, however,

¹ Hearings were held on December 4, 5, 6, 11, 12, 13, 17, 18, and 19, 1945. During the 3 weeks 36 witnesses testified before the committee.

agreement ends and opinion divides as to the means whereby this keystone of the desired stability of our economy can be attained. It is no more singular to find one merchant opposed to another in his concept of what course Government should take to preserve and enhance our way of life than it is to find the views of one official of Government opposed to those of another.

CONTENDING ARGUMENTS

The proponents of continued governmental regulation point to various factors which constitute an inflationary menace—the existing scarcity of needed consumer goods of all kinds, the backlog of consumer demand built up by warborn restrictions of civilian production, the unprecedented accumulation of savings, the inordinate volume of currency in circulation, the necessity for continued deficit financing by Government. These and others are real and not fancied dangers and cannot be lightly viewed. The proponents contend that the only effective method of dealing with these inflationary dangers is to continue existing governmental regulation and even strengthen it.

The opponents of continued governmental regulation acknowledge the existence of the inflationary factors but they point to the existing disorganization of industrial output and attribute it in large measure to unsound governmental regulation imposed upon industry. They decry the regulations imposed upon the distributive outlets of our industrial economy as disruptive and undesirable. They urge the restoration of free competitive enterprise even during the transitional period as the best safeguard against the dangers of continued scarcity and contend that unless the benefits of that system are now restored, the unbalance between supply and demand will be inordinately protracted and the critical period prolonged with all of the dangers implicit therein. They point to technological advances in industrial operations gleaned from wartime experience and to the unprecedented productive capacity of the Nation which concededly is infinitely greater than that which existed prior to the war. They insist that the productive capacities of the Nation be immediately released from governmental controls which they assail as fetters to full production and maximum employment, and contend that if the Nation's productive potential is permitted to function freely and without the impediment of governmental restriction, supply will be brought into balance with demand and the Nation's present and future needs provided in ample abundance.

These and other arguments which are advanced by the contending forces are meritorious and commend themselves to the serious consideration of all persons concerned with the problem.

THE PROBLEM PRESENTED

Upon analysis it is apparent that both proponents and opponents of further governmental regulation rely upon the same force to defeat existing scarcities and other inflationary pressures; namely, the productive potential of the Nation. The real problem, therefore, is whether vitally needed production can best be attained through the medium of existing regulation, through the medium of other regulation, or without any regulation.

The determination of this problem necessarily requires consideration of existing conditions, the adequacy and adaptability of existing legislation to meet present conditions and study of the character of the regulations which have been imposed and/or administered since the cessation of hostilities.

CURRENT ECONOMIC FACTORS

Candor necessitates recognition of the plain fact that conditions presently extant have changed substantially from those which

prevailed at the time of the enactment of the Emergency Price Control Act, the Stabilization Act, and other wartime measures still in effect. Notwithstanding all effort to the contrary, the cost of living has risen substantially from that which prevailed prewar.

During the course of your committee's hearings, merchants from all parts of the country testified in detail concerning the disappearance from the market of low-priced, high-quality merchandise which characterized prewar production, and the deterioration of quality in almost all consumer goods, notably in apparel lines, household goods, and electrical appliances. A visual demonstration of the extent and degree of quality deterioration which has occurred in day-to-day consumer goods was afforded the committee through an exhibit compiled by a national retailers' association, which vividly portrayed and graphically illustrated hitherto hidden increases in the cost of living in an emphatically convincing manner.²

While the rise in the cost of living has been expressed in percentage figures in various published reports and governmental surveys, it is plainly evident that significant and substantial hidden increases have taken place which are not and cannot be expressed in percentage terms. These hidden increases are discernible in the widespread substitution of inferior commodities for the high-quality lines which were standard and predominated prewar, in the general deterioration of the quality of commodities and consumer goods of all kinds, and the disappearance of low-cost commodities from the market. Reports of the rise in the cost of living expressed in percentage figures, whether by Government or Government officials, are therefore wholly deceptive and entirely misleading—for the actual and experienced increase is substantially higher than that which is so reported.

Wage rates have risen 73 percent over the 1936-39 level. The price of raw materials has increased 53 percent and other legitimate business costs have risen substantially. Service costs, delivery, packaging, exchanges, and trade-ins in appliance and other lines, largely eliminated in wartime, are once again factors which inevitably have to be considered, as well as write-offs now being experienced due to sleazy ersatz wartime merchandise.³

SCARCITY OF GOODS

Almost 6 months have now elapsed since the cessation of hostilities toward the victorious termination of which the energies of the Nation had been solely directed for almost 4 years. Despite many and insistent reports that reconversion is proceeding with infinitely more speed than was anticipated,⁴ the fact is that scarcities of all kinds and classes of consumer goods still pervade the market; inventories are virtually nonexistent; the Nation's raw materials are not flowing in the normal channels of distributive trades,

² The National Retail Dry Goods Association compiled an exhibit of several hundred items consisting of men's, women's, and children's apparel, toys, household appliances, electric irons, and other consumer goods of common demand. The exhibit was displayed in both Houses of Congress and was presented to the committee by Robert A. Seidel, vice president of W. T. Grant & Co., on December 5, 1945.

³ See testimony of Wade McCargo, of Richmond, Va., on December 5, 1945; Charles Barhydt, of Walden, N. Y., on December 11, 1945; Walter J. Hollands, of Western, N. Y., on December 11, 1945; Otto Swanson, of Omaha, Nebr., on December 13, 1945; John B. Greer, of Loudon, Tenn., on December 13, 1945; Louis C. Knobbe, of Madrid, Iowa, on December 13, 1945.

⁴ See testimony of Chester Bowles on December 4, 1945; John B. Small on December 11, 1945.

and the volume processing of such materials is not proceeding in a manner that augurs well for the Nation's economy.⁵

Merchants in every field of endeavor, long inured to wartime shortages, are necessarily relinquishing their understandable desire to replenish depleted stocks of goods normally carried by them to meet the requirements of business. All marketing effort instead is concentrated upon securing sufficient merchandise to keep doors open. They uniformly find that but a mere fraction of these requirements is available. Raw materials and finished products are painfully slow in reappearing on the market. The consumer's inability to purchase low-cost quality items and the necessity for compromising between what is desired and what is available is widespread and well known.

EXISTING LEGISLATION

It may be contended that sufficient time has not yet elapsed for sound conclusions to be drawn as to the efficacy and adaptability of existing legislation to the needs of the transitional period. While it would be manifestly unfair to evaluate legislative enactments in the light of subsequent conditions with which they were not designed to cope, the desirability of expediting the transition from all-out war production to all-out peace production is beyond question. It would seem sound, therefore, that government should be the first to proclaim the inadequacies or insufficiencies of existing legislation and administrative policies to deal with the problems which now beset us, if in fact they are found to be wanting in effectiveness.

The legislative enactments which are the tools and means now being utilized by the executive department in the dealing with the problems of these times were enacted by the Congress at the outbreak of hostilities and were calculated to meet the war needs of the Nation. The authority being exercised by the executive department of the Government flows from the Emergency Price Control Act, the First and Second War Powers Acts, and the Stabilization Act. These enactments were war powers, conceived, born in, and dedicated to an emergency brought on by hostilities and intended to be utilized solely for the duration thereof. For that reason, during the existence of hostilities the legislature extended the life and efficacy of such enactments for specified and limited periods and from time to time modified them by appropriate amendatory provisions deemed mete to deal with specific problems and changes as they arose. In some instances, amendments were enacted because of the manner in which those powers were being administered, in others, because of the authority asserted and contended for thereunder.

Thus Congress, in accordance with its prerogatives, placed limitations upon the authority of the Price Administrator to deal with cotton except in accordance with the Bankhead amendment; specifically prohibited grade labeling of commodities by the Price Administrator by the passage of the Taft amendment; prescribed certain standards with regard to personnel in the Dirksen amendment to the Appropriations Act; and directed the Price Administrator to deal with meat in accordance with the Barkley-Bates amendment.

The cessation of hostilities found the Government no longer engaged in active war but the state of belligerency brought on by hostilities still exists as its termination has neither been proclaimed by the President nor by Congress. A residue of power and authority intended to be applicable to the economy of a nation at war thus remains

⁵ Monthly Report on Civilian Production issued by the Civilian Production Administration on January 28, 1945.

vested in the executive branch of our Government and is being utilized with regard to our present economy. It was scarcely within the contemplation of Congress that these powers, in their present form, should extend beyond the cessation of hostilities and that administrative policies formulated thereunder be utilized to regulate, govern, or direct a nation no longer at war.

EFFECT OF POSTWAR PRICE ADMINISTRATION

Since the cessation of hostilities, the discernible impact upon the Nation's economy of existing price authority and administrative policies leaves little to commend their suitability to our present needs. Regulatory measures intended to maintain a semblance of stability among forces affecting the Nation's wartime economy have hindered and obstructed civilian production although after the cessation of hostilities, such production became the Nation's prime objective. Reconverting manufacturers desiring to resume the production of prewar items, found themselves frozen to levels which rendered the resumption of normal business activity and the production of needed civilian goods impossible. Inept pricing policies and provisions for relief from hardship occasioned thereby have hampered production and fostered the deterioration of quality. Processes for obtaining relief were and still are complicated, almost endlessly time-consuming and frequently wholly unavailing.⁶ Resort to artifice and subterfuge in securing price action has even been suggested by price officials.⁷

There can be little doubt that the Nation's economy and the success of our reconversion effort is suffering and will continue to suffer from the impact and application of administrative standards, policies, and processes not adapted to its present needs. The plain fact is that administrative methods pursued today are those which were calculated to regulate our war economy. Nevertheless they are still being superimposed upon the Nation's industry in the transitional period, notwithstanding the chaotic consequences of such action.

Distortions in the production and distribution of manufactured commodities urgently needed by consumers throughout the land have been and are now being engendered by various regulations, notable among which is the maximum average price regulation. Because of MAP urgently needed finished goods produced to sell at lawful ceiling prices have been withheld from the market, their sale at such prices be-

ing interdicted and rendered illegal through the inability of the manufacturer to offer lower priced commodities of the same class for reasons beyond his control—usually the impossibility of securing the raw materials necessary for the manufacture of the lower priced goods. Tie-in sales, although a violation of law, are virtually compelled by MAP and its strangulating effect upon commercial activity. Because of its provisions, the production of textile mills so vitally needed to meet war-created shortages of clothing is impeded and disrupted.

To say the least, it is curious that MAP is still in effect. An investigation conducted by a special committee of the House⁸ brought to light the fact that it had been promulgated over the unanimous protest of the only persons in OPA competent to evaluate its worth and effect. The judgment of the agency's own experts was overridden by others within OPA admittedly lacking in experience and wholly unqualified to overrule the opinions voiced in opposition to the promulgation of MAP. Its declared objective was twofold. The first and foremost was to restore low-priced clothing to the market, and the second to require a pattern of production similar to that which existed in a specified base period. High agency officials, when pressed on the point, plainly admitted that MAP was a complete and absolute failure with respect to its primary objective—the restoration of low-cost clothing. In the face of insistent protests from all segments of industries affected thereby that MAP was disruptive and oppressive, the agency insisted that the secondary objective—restoration of a pattern of production—was being attained and this onerous regulation was continued despite all protests.

Upon analysis, it is plainly evident that MAP is not a price regulation but is clearly beyond the purview, scope and authority of the Price Administrator. In operation and effect it is as devious an endeavor to regulate production as it is obnoxious and impeding to full production. Recommendations for its abandonment by a committee of the House, as well as by Members of both Houses of Congress, by textile mills, manufacturers, and merchants have all been unavailing.

The importance of attaining maximum production of textiles as one of the prime contemporaneous needs of the Nation cannot be over-emphasized. Yet the disruptive effect of price policies imposed upon textile mills and maintained since the cessation of hostilities is such as to cause many mills to abandon traditional methods of production and to integrate their operations with functions historically performed by converters. In consequence, mills today are finishing or partly finishing their products instead of distributing them in the greige state. This results in the disruption of efficient channels of distribution established under the prewar competitive system indispensable to the proper functioning of our economy and causes finished goods to be narrowly distributed among comparatively few large manufacturers in a position to use a substantial portion if not all of a given mill's products. Small manufacturers are thereby afforded little or no materials for their operations except as assisted by CPA priority allocations.⁹

In its endeavor to correct inequities suffered by the meat packing industry, Congress made specific provision with regard to the imposition of price ceilings on meat. By the enactment of the Barkley-Bates amendment, Congress directed that a prewar margin of profit be provided on each specie of meat slaughtered and distributed. In direct violation of this mandate OPA made no

change in then existing prices. Four months later it announced a retroactive subsidy of 8 cents per hundredweight stating that it "had erred in its prognostications." In the interim, however, the very existence of many packers was threatened by enforced deficit operations. Relief from OPA being unattainable they sought financial assistance from the local banks only to learn that commercial credit would not be extended on the premise of administrative action expected at some future date. Faced with obstacles which were insurmountable and apparently insoluble, many packers were forced out of business. In one community—Buffalo, New York—21 packers were forced to suspend operations and cease business. Characteristically enough, the relief eventually granted by OPA was set at a level which left more than 25 percent of the industry in a deficit position. A further subsidy recommended by OPA left only 10 percent of the industry in a deficit position. Despite this acknowledgement that such prices were inadequate and not in accordance with the Barkley-Bates amendment OPA continued them without change, the law to the contrary notwithstanding.¹⁰ At the hearings before this committee OPA, through its General Counsel, gave oral assurance that in the future the congressional mandate would be obeyed.¹¹

The lumber industry is faring no better than other industries whose experiences and grievances were related to the committee. In consequence, the prospect of alleviating existing housing shortages is rendered more remote than ever. Full production and proper distribution in this industry, though vital to the economy of the Nation, is being stifled by unrealistic pricing policies and OPA techniques. Distribution of its products, as vital as production itself, is distorted and almost destroyed. Preprice control, the industry was divided into segments, each of which performed a valuable and significant function. The margin of each was established in relation to the service performed. The mill-shipping wholesaler rendered important distributive and consultative functions which greatly assisted small retail yards throughout the Nation, and financed both operations of mills and purchases of retail yards. His knowledge, experience and functions constituted a valuable adjunct in the industry. Throughout the war his knowledge and experience was utilized by the Government in securing and expediting the delivery of needed products. Because of present shortages and existing price levels mills are selling all of their production to other than normal outlets. Large-line distributive yards, being allowed a mark-up, can pay mill ceiling prices and most lumber is shipped to them. The mill wholesaler cannot compete because he must buy at mill ceiling prices but is allowed no mark-up on sales and is therefore actually being forced out of business. Although repeated protests have been made to OPA by all segments of the industry, this condition has prevailed for many months and nothing has been done to alleviate it.¹²

⁶ J. D. Kappeler, of Carlstadt, N. J., testified before the committee on December 6, 1945. His firm, the Kappeler Brush Co., made over 4,700 items in the prewar period. Increased material prices and labor costs necessitated the filing of an application for price relief on February 7, 1944. After considerable delay, on August 2, 1944, an unsatisfactory price adjustment was made and the company was compelled to discontinue 51 percent of its business. The company now operates at a loss on its 432 remaining items, but must wait an additional 3 months before it can apply for relief from OPA.

⁷ Testimony of Robert A. Seidel, on December 5, 1945. The Climax Hosiery Mills, of Athens, Ga., made split-foot hosiery prewar. During the war it was entirely in war production. When it desired to reconvert to civilian production it discovered that its ceiling price was inadequate. An official in OPA pricing branch could find no regulation that would afford the company the required relief, but suggested that an application might be filed on the grounds that the character of the business had changed. Window and door screen manufacturers, in order to obtain needed increases in prices, had to change their screening from 16 mesh to the inch each way to a new kind 18 mesh to the inch one way and 14 mesh to the inch the other way.

⁸ Hearings before the Select Committee of the House of Representatives to Investigate Executive Agencies—June 1945.

⁹ See testimony of Irwin Feldman on December 18, 1945.

¹⁰ See testimony of Wilbur LaRoe on December 17, 1945; F. E. Wernke of Louisville, Ky., on December 17, 1945; C. Elsen of Cincinnati, Ohio, on December 17, 1945; Joseph P. McCarthy on December 17, 1945.

¹¹ See testimony of Richard Field on December 17, 1945.

¹² See testimony of Donald R. Meredith, of New York, on December 12, 1945; Austin P. Braun on December 12, 1945; Jerome M. Ney on December 12, 1945; Edwin W. Elmer, of Minneapolis, Minn., on December 12, 1945; Robert B. Cowles, of Springfield, Mass., on December 12, 1945; C. O. Aschman, of Chicago, Ill., on December 12, 1945; C. W. Matthews, of Seattle, Wash., on December 12, 1945; W. T. Turner, of Spartanburg, S. C., on December 12, 1945.

PRICE AND BUSINESS INCENTIVE

Prior to price control consumer goods were competitively produced in tremendous quantities and were efficiently distributed and priced. Dollar margins of profits above the then level of costs were competitively established and were calculated to yield a return which in the light of risks involved would provide an incentive to business. Quality standards were high and always tended to higher levels because of competition. Research for the development of improvements was continually fostered. Profits received from business activity depended largely upon volume and efficiency of business organization and management.

Control as now exercised, broadly speaking, limits the producers and processors of raw materials, as well as manufacturers and merchants at all levels of the distributive outlets of our economy, to prices which prevailed in 1942, except as varied by in-line pricing techniques or adjusted by the application of other available pricing standards none of which gives full effect to experienced increases in legitimate costs of doing business. In consequence many commodities which otherwise would be available to meet consumer demands cannot be produced, handled, or distributed except at a loss or at prices which permit one only to break even.

Sound business judgment dictates the wisdom of abstaining from any endeavor which mathematically entails a loss. For our Government to expect or attempt to require, by policy or otherwise, that business enterprise be carried on with no hope or incentive other than to break even is sheer folly. Yet such is the effect which inevitably flows from regulations which deny producers of raw materials, their processors, the manufacturers of finished goods and the merchants who distribute them the right to recapture presently experienced costs except through a progressive diminution of prewar dollar margins of profit. The policy from which this stems, termed "cost absorption," is as fallacious as it is corrosive and destructive of business enterprise. It constitutes nothing less than attempted regulation of profit margins and proceeds upon the hypothesis that the Administrator and his staff are competent to better determine the margins of manufacturers and merchants than they themselves, that the judgment of OPA economists and other theorists can be substituted for the practical experience of businessmen in the management of their affairs and the operation of their enterprises, and that the activities of industry can be accommodated to absentee government management charged with no direct responsibility for the consequences of such policies. No nation's industry can long endure such regulation and survive.

The views of merchants throughout the Nation with respect to this OPA policy were aptly expressed by one of the witnesses who appeared before the committee:

"It appears to me that OPA's cost absorption policy is most unsound, unfair, and impossible.

"For all of 20 years that we have been in business, our percentage of mark-up has been about the same. I believe it was about the same as others in our line of business. We never seem to be making too high a mark-up. It seemed like a safe margin. At the same time it was pretty hard to keep going with the mark-up that we took.

"Now, OPA comes along and tells me, after 20 years' experience, that I should absorb additional costs, or in other words, cut my margin of profit.

"Have I been wrong all these 20 years? If so, why could I stay in business with competitors selling like merchandise all around?

"In cost absorption as well as other OPA policy, merchants are lumped together, and the same label used for all. There is real

danger in the careless use of this one label for all merchants, because we have so many different kinds of merchants. We have large merchants in large cities, and large merchants in small cities and small towns; we have small merchants in large cities and small merchants in small towns; chain stores; department stores, cash stores and credit stores; stores that give lots of extra service and stores that just hand you the goods and take the money.

"All these stores have a place in our economy. They each fill a place in their respective communities. Their methods of doing business and their needs are so different that there is real danger in permitting ourselves to think that what one could do, all the others could also do.

"I think that cost absorption might be very bad for many of our small town merchants. I am speaking for the small town merchants, because most of our business is in small towns.

"I have not been able to bring myself around to the line of thought that OPA's so-called price line is more important than the business firms of the country. The very fact that competition has kept my mark-up down to a certain figure through all these years and never forced me much below that figure is plenty proof that the mark-up figure must be right, and I am afraid that if it is tampered with the result will be ruinous."

NEED FOR SUITABLE CONTROLS

No fair minded individual can justly minimize the benefits which inured to the Nation during the war years through the exercise by the Executive of the war powers granted by Congress to safeguard the Nation's economy, or decry the advantages which flowed from the administration of those powers. During the war years price controls were effective in minimizing price advances. To the limited extent that percentage figures afford an index to the effectiveness of the administration of price control it is noteworthy that prices increased only about 40 percent between 1939 and VJ-day in August 1945. One-half of the current increase in living costs occurred between September 1939, and the promulgation of the hold-the-line order in May 1943. Rents were held to approximately 4 percent over those prevailing at the time controls were put into effect. The effectiveness of the Government's effort to "hold-the-line" would have been tremendously augmented if the line had been authorized and applied to all forces affecting the economy instead of merely at price levels. But there is much to be grateful for in the task that was accomplished. The cooperation of the American people was a factor without which the administration of price control would have been nothing but a dismal failure.¹⁴

Having benefited from the administration of those powers during the period of hostilities, care should now be exercised lest the advantages gained be frittered away and dissipated through unwise administration of unsound policies and through the attempted development of a peacetime economy under inapplicable regulations and standards. A specific remedy successful in treating one ailment is rarely desirable for the treatment of another. Restraints necessary at the time they are imposed become shackles when their timely removal is neglected and delayed. Legislation, administrative policies, and standards designed to regulate and control the economy of a nation at war do not constitute appropriate instrumentalities for the

assistance of the Nation's economy after the cessation of hostilities. It must always be remembered that freedom is a way of life and regulation a habit which once indoctrinated is destructive of initiative and confidence. Long-enforced submission to regulation encourages addiction thereto.

Any reasonable interpretation of the testimony adduced at the hearings before the Senate Small Business Committee, as well as a reasonable survey of existing conditions convincingly establishes the necessity for the abandonment of war-born price policies and standards in administering to the present needs of the Nation's economy.

Of what avail is it that prices have been held within calculable limits if commodities are not obtainable at such prices? Of what avail is it that rents have been held to minimum levels if under present policies the construction of needed housing is rendered virtually beyond the ingenuity of man?

The returning veteran in need of clothing can derive little comfort, if any, to learn that price levels are being vigorously maintained in the apparel lines, if he is unable to obtain his requirements. He will derive less comfort from the action of Government officials who urge the amendment of War Department regulations so that he may lawfully wear his uniform beyond the 90-day period now authorized in lieu of eliminating impediments to the production of clothing which were created by their action. It will afford the veteran in search of housing little cause to rejoice in the extraordinary stability attained in rental levels, if under existing policies housing continues to be nonexistent and his search for quarters proves unavailing.¹⁵

Doubtless these conditions are in a measure attributable to the lack of harmony and strife in industrial relations, and to charge the administration of price control with their sole responsibility would be as manifestly unjust as the continuation of existing standards, policies, and criteria is inherently dangerous. While it is entirely true that without price control throughout the war the Nation's economy would have suffered infinitely more than it has, it is equally true that standards more suitably adapted to our present needs should take its place. It is plain that the continued imposition of existing policies and standards in dealing with contemporaneous problems and the present needs of our Nation's economy can only invite the disaster which it is the professed objective of government to avert. Thoughtless or ill-considered advocacy of continued application of existing legislative administrative standards to the present economy, if successful, may prove equally disastrous.

It is significant that even now, when the Nation is no longer preoccupied with the exigencies of war, no effective means is available to anyone whereby the legality and propriety of any regulation or policy being administered can effectively be challenged in any court in the land. The exhaustion of interminable, interlocutory administrative processes within OPA itself is a condition precedent. The challenge thereafter can only be tendered to a court intended to function during a period of hostilities. Compliance, in the interim, is mandatory regardless of the effect upon the protestant. Patent illegality on the face of a regulation does not alter the procedure which must be followed. More frequently than not irreparable damage occurs before relief can be obtained by judicial process. Continued insistence upon such procedures in the transitional period and the denial to persons affected by such regulations of access to the courts of the United States can only tend to bring the administration of government into disrepute.

¹⁴ See Testimony of Ford Hinrichs, Acting Commissioner of Labor Statistics, Department of Labor, on December 19, 1945.

¹⁵ The statements were quoted from the testimony of Van H. Priest of Madison, Fla., and a past member of the Florida Legislature, who appeared before the committee on December 11, 1945.

¹⁶ See testimony of Chester A. Bowles on December 4, 1945.

There is no gainsaying the fact that the price policies administered since the cessation of hostilities have seriously hampered and impeded the production of needed consumer goods. Thus the scarcity which it is the professed objective of government to minimize, and which is cited in support of continued control, is aggravated and perpetuated by the control itself. This inevitably limits the opportunity for full employment and aggravates the difficulties of war-dislocated workers and returning veterans. The advocacy of further continuance of price control as it exists today is tantamount to an assertion that this war-born standard is as well adapted to serve our current needs as it was to meet the Nation's needs when sponsored and adopted. The assertion defeats itself, for what is needed today is production to end scarcities and stabilization at existing levels of cost factors to permit and stimulate the resumption of war-interrupted production of civilian consumer goods, whereas the Nation's needs at the time of the act's sponsorship and passage were totally different.

Restrictive control of the productive potential of the Nation and of business enterprise at every level of our economy can only be reconciled with a philosophy of fear and a lack of confidence in the inherent and proven productive capacities of our Nation. It is unthinkable that such a fear is well-founded or that the philosophy on which it is based is sound. To the precise extent that existing price policies impede that attainment of full production, the interests of the Nation have suffered. To the extent that they are further endured, the interests of the Nation must continue to suffer.

Factors influencing our economy today are such as to plainly indicate the necessity for, and wisdom of, maintaining controls, particularly for the purpose of limiting the few who through greed or cupidity might otherwise seek means of exploiting existing scarcities to their own advantage in disregard of their fellow citizens' welfare. The foreseeable needs of the Nation's economy require that authority to allocate scarce materials and commodities be strengthened and that all controls be exercised in a manner calculated to stimulate maximum production. Policies which are unrealistic and deny recognition to experienced cost increases, such as those presently administered, constitute a tremendous deterrent to needed production and tend to perpetuate the evil for the correction of which the control was sanctioned.

It is argued that the regulations and policies complained of are temporary in nature and will be promptly removed whenever supply is brought into a relative state of balance with demand but it is plain that the restoration of such a condition will not be facilitated and at all events must necessarily be delayed unless present policies are abandoned. Business incentive and price control are entirely compatible if the control that is exercised is realistic and sound. Pre-war dollar margins of profit were competitively established. Their restoration above existing costs would neither be inflationary nor extortionate. If permitted today the scarcity properly cited as an inflationary menace would rapidly be overcome and stability restored. Such a program must be undertaken at once and applied at all levels of our economy. Its administration should be simplified and carried out without reservation.

RECOMMENDATIONS

We recommend:

1. That the maximum average price regulation and any and all regulations issued in whole or in part in pursuance of the cost-absorption policy presently being administered to be withdrawn and rescinded.

2. That no maximum price shall be established or maintained for any commodity under authority of this act or the Stabilization Act of 1942, as amended, or otherwise, (1) below a price which will reflect to producers, manufacturers, wholesalers, distributors, jobbers, and retailers dealing in such commodity a percentage profit per unit, based on current costs, equal to the average percentage profit per unit earned during the calendar years 1937 to 1941, inclusive, or (2) which will reduce or result in the reduction of trade discounts or percentage mark-ups, with respect to such commodity, below the average established trade discounts or percentage mark-ups applicable with respect to such commodity during such calendar years.

3. That Congress declare the obtaining of production paramount to the maintenance of existing price levels and prescribe legislative standards to assure that price controls be exercised in a manner calculated to secure maximum production.

4. That the appropriate committees of Congress give immediate consideration to legislation restoring jurisdiction to the district courts of the United States to hear and determine any and all questions which may be raised by persons affected by any regulation promulgated under the authority of the Emergency Price Control Act and under the authority of any legislation which may be enacted in lieu thereof.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Jacob Weinberger, of California, to be United States district judge for the southern district of California, vice Harry A. Hollzer, deceased.

By Mr. WALSH, from the Committee on Naval Affairs:

Civil Engineer Joseph F. Jelley, Jr., to be a civil engineer in the Navy, with the rank of rear admiral, for temporary service, to continue while serving as Deputy Chief of Civil Engineers, United States Navy, and the Assistant Chief of the Bureau of Yards and Docks.

By Mr. BAILEY, from the Committee on Commerce:

Commodore Merlin O'Neill to be Assistant Commandant with the rank of rear admiral in the United States Coast Guard, for a period of 4 years, to fill an existing vacancy; and

Clarence M. Young, of California, to be a member of the Civil Aeronautics Board for the term expiring December 31, 1946, vice Edward P. Warner.

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

Maj. Gen. Everett Strait Hughes (colonel, Ordnance Department), Army of the United States, for appointment in the Regular Army of the United States as Chief of Ordnance,

with the rank of major general, for a period of 4 years from date of acceptance, vice Lt. Gen. Levin Hicks Campbell, Jr., who retires on May 31, 1946; and

Several officers for appointment in the Regular Army of the United States.

NOMINATION OF FRANK M. SCARLETT TO BE UNITED STATES DISTRICT JUDGE, SOUTHERN DISTRICT OF GEORGIA

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary I report favorably the nomination of Frank M. Scarlett, of Georgia, to be United States district judge for the southern district of Georgia, vice Hon. Archibald B. Lovett, deceased, and ask unanimous consent for its present consideration, as in executive session.

Mr. WHITE. Mr. President, if the Senator is asking for the present consideration of a nomination just reported from the Committee on the Judiciary, I feel that I ought to object. Many Senators are absent. I do not know what Senators may be interested in the nomination. I do not know what the interest of any Senator may be; but I feel that a regard for absent Senators compels me to object.

Mr. McCARRAN. Mr. President, will the Senator listen for a moment while I make an explanation?

Mr. WHITE. I am glad to withhold the objection.

Mr. McCARRAN. Mr. President, this place has been vacant for some time, due to the death of a former justice. The Committee on the Judiciary had this nomination before it and gave it 1 week's consideration. No objection was made. The nominee has the whole-hearted support of both Senators from Georgia. Because of the condition of the court docket, and because of certain events which are scheduled to take place in Georgia, I ask unanimous consent for the present consideration of the nomination. Otherwise, I would not ask for an exception to the rule. I hope the Senator may see fit to consent.

Mr. RUSSELL. Mr. President, I hope no objection will be interposed to the confirmation of this nomination. An objection could serve no very useful purpose, and it would cause considerable confusion. A term of the court for the southern district of Georgia is supposed to begin in Savannah on Monday. Due to the fact that the judge who recently passed away in that circuit had not been able to hold court for a long time, there is a very crowded docket, and the public interest demands that the new judge be qualified and assume office as soon as possible.

In addition to the public interest involved, there is also a personal matter, but it is a human matter. Notice has gone out among the members of the bar that the judge will be sworn in on Saturday of this week. Quite a luncheon party has been arranged for the swearing-in ceremonies. If there is any possibility of substantial objection, of course the ceremony could be deferred. It is perhaps a little thing in the Senate of the United States, but it is a large thing in the lives of the in-

dividuals affected. I trust that there will be no objection.

Mr. WHITE. I understand the Senator from Nevada that this is a nomination for United States district judge?

Mr. McCARRAN. That is correct.

Mr. WHITE. In large part, it is a matter of local interest, rather than general public concern. If a banquet has been arranged or is in prospect for any of the citizens of Georgia, I should not wish to feel that I had deprived them of the delights of such an occasion, and I withdraw my objection.

Mr. RUSSELL. I thank the Senator.

Mr. McCARRAN. I thank the Senator.

The PRESIDING OFFICER. The nomination will be stated for the information of the Senate.

The legislative clerk read the nomination of Frank M. Scarlett to be United States district judge for the southern district of Georgia.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination? The Chair hears none. Without objection, the nomination is confirmed; and without objection, the President will be immediately notified.

RECOMMITTAL OF ARMY NOMINATIONS

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that the Senate recommit to the Military Affairs Committee the nominations of approximately 300 colonels which appear on pages 1 to 17, inclusive, of today's Executive Calendar.

Mr. WHITE. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Colorado. I yield.

Mr. WHITE. Does the Senator's request include all the names appearing in connection with the Army nominations, or only those having before them a cross?

Mr. JOHNSON of Colorado. The request includes all the nominations in the Army.

Mr. WHITE. It includes all of them?

Mr. JOHNSON of Colorado. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar, following those previously disposed of.

RECONSTRUCTION FINANCE CORPORATION

The legislative clerk read the nomination of George E. Allen to be a member of the board of directors of the Reconstruction Finance Corporation.

Mr. WHITE. Mr. President, I ask that this nomination be passed over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

FOREIGN SERVICE

The legislative clerk read the nomination of Raphael O'Hara Lanier to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Liberia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HILL. I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

REFERENCE OF NOMINATIONS AND TREATIES

Mr. HILL. Mr. President, it has been the custom of the Senate to authorize the Presiding Officer of the Senate, when no executive session is held on a particular day, and when there is no objection, to refer nominations and treaties to the appropriate committees. Following this custom and precedent of the Senate, I send to the desk a resolution and ask for its present consideration.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The legislative clerk read as follows:

Resolved, That on calendar days of the present session of Congress, when no executive session is held, nominations or treaties received from the President of the United States may, where no objection is interposed, be referred, as in executive session, to the appropriate committees by the Presiding Officer of the Senate.

Mr. WHITE. Mr. President, I believe, as the Senator from Alabama has stated, that this resolution conforms to long-established practice of the Senate, and I see no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the resolution. The resolution was agreed to.

RECESS TO FRIDAY

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Friday next.

The motion was agreed to; and (at 1 o'clock and 26 minutes p. m.) the Senate took a recess until Friday, February 15, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, February 13 (legislative day of January 18), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Monnett B. Davis, of Colorado, to be a foreign-service officer of class 1, a secretary in the diplomatic service, and a consul general of the United States of America.

Walton C. Ferris, of Wisconsin, now a foreign-service officer of class 3, and a secretary in the diplomatic service, to be also a consul general of the United States of America.

CONFIRMATIONS

Executive nominations confirmed by the Senate, February 13 (legislative day of January 18), 1946:

FOREIGN SERVICE

Raphael O'Hara Lanier to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Liberia.

UNITED STATES DISTRICT JUDGE

Frank M. Scarlett to be United States district judge for the southern district of Georgia.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 13, 1946

The House met at 12 o'clock noon.

Rev. Dr. Philip F. Mulhern, Dominican Order, Immaculate Conception College, Washington, D. C., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

Eternal Father, we come to You to ask Your blessing on this gathering of the lawmakers of our country, whom You have called to take part with You in governing the lives of men. You have chosen these men to be instruments of Your will in making laws which will affect the lives of their own countrymen and of all other peoples. Look down upon them with friendly concern; show them their need for Your guidance; enlighten them with the wisdom and strengthen them with the justice their mighty task demands.

Father of all men, the work of our Congress is Your work; their task is Your task—to bring from the chaos and confusion of today the regulated order of tomorrow. What they do here reaches out from these walls to the far stretches of our own great land and beyond, for here, as to a great light, the prostrate, broken people of the world look. Here they look in hope. Light of the world, kindle here the flame of Your wisdom. Fire these minds and hearts with Your truth which does not pass away that they may truly be a light in this dark world. Lift the eyes of our Congressmen to You that, seeing their great need for guidance in the confusions of the moment, they may seek Your wisdom, which alone endures.

As the sons of this Nation went forth to battle for the justice and liberty which You have freely made the right of all men, so these, our Representatives, gather here to extend and assure that justice and liberty to our own people and to all peoples. As You have blessed and upheld the arms of our soldiers, so bless the works of our Congress. Guide their minds to see the right and direct their wills to follow it. You are the wise and farseeing lawgiver. Share, we beg You, that farseeing wisdom with these, Your servants, the lawmakers of our land. Direct, guide, and enlighten their councils and decisions that this, our Congress, may shed into the lives of our people and of all peoples the light of Your free and generous gifts. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 52. Concurrent resolution authorizing the Joint Committee on the Organization of Congress to have printed for its use additional copies of the summary of hearings, index to hearings, and parts 1, 2,

3, 4, and 5 of the hearings held before said joint committee during the first session, Seventy-ninth Congress, relative to the organization of Congress.

PAN-AMERICAN DAY

Mr. JARMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 522.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. RANKIN. Mr. Speaker, reserving the right to object, will the gentleman from Alabama explain what this resolution is about?

Mr. JARMAN. The resolution designates April 15, which is Monday, following Pan-American Day on Sunday for the celebration by the House of Pan-American Day. It is a repetition of a similar occasion last year. But the death of President Roosevelt last year postponed it until April 24.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the resolution, as follows:

Resolved, That the House of Representatives hereby designates Monday, April 15, 1946, for the celebration of Pan-American Day, during which no business or remarks except appropriate to such an occasion may occur.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING A REVISED EDITION OF THE PAMPHLET, OUR AMERICAN GOVERNMENT, ETC.

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 1566) a privileged resolution (H. Res. 508), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That a revised edition of House Document No. 228, Seventy-ninth Congress, first session, entitled "Our American Government: What Is It? How Does It Function?" compiled by Representative WRIGHT PATMAN, of Texas, be printed as a public document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CORRECTION OF THE RECORD

Mr. SMITH of Virginia. Mr. Speaker, I offer a privileged resolution (H. Res. 523), which I send to the desk.

The Clerk read the resolution, as follows:

Whereas on Tuesday, February 12, the gentleman from Washington, Mr. SAVAGE, asked and obtained unanimous consent to print an editorial from the Washington Post in the CONGRESSIONAL RECORD as an extension of his remarks, and

Whereas in lieu of such editorial, the Member inserted an anonymous letter to the editor containing an attack upon the officials of the State of Virginia, in general, and the city of Alexandria, in particular; and

Whereas the insertion of extraneous matter in the RECORD, without previous specific authorization from the House, is a violation of the rules of the House; Therefore be it

Resolved, That the RECORD be corrected by striking therefrom all of the matter spoken and inserted by the gentleman from Wash-

ington, on page 1267 of the [daily] RECORD, beginning with "The editorial comment reads as follows" in column 1, and ending with "Washington, February 7" in column 2.

Mr. SMITH of Virginia. Mr. Speaker, I ask for recognition on the resolution.

The SPEAKER. The gentleman from Virginia is recognized.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry; for how long is the gentleman from Virginia recognized?

The SPEAKER. The gentleman from Virginia is under the 1-hour rule.

Mr. SMITH of Virginia. Mr. Speaker, I want to assure the House I will consume but a few minutes, but I do think this is a matter that devolves upon me to reply to an attack that has been made upon my city and upon my State.

Mr. Speaker, yesterday, in my absence, the gentleman from Washington (Mr. SAVAGE), under a 1-minute speech and permission to extend what he termed an editorial with his remarks, made a savage and unjustifiable attack upon the people of Virginia and upon my native city of Alexandria.

I wish to state in the beginning, so that the House may understand just what was done, there appeared a few days ago in the Washington Post an anonymous letter containing this attack upon the officials and the people of my city and State. This letter was signed "An American."

The gentleman from Washington (Mr. SAVAGE) asked leave to insert an editorial from the Washington Post. I was not present, and when I heard of this attack I went to the reporter's office and asked permission to look at the article that was being inserted. I found that the article had been very carefully trimmed from the paper so as to omit the headline indicating that it was a letter to the editor. Then, by a fancy piece of trimming at the bottom of the article, the anonymous signature, "An American," was clipped from the supposed editorial, and the remainder was inserted, under a unanimous-consent request to insert an editorial from the Washington Post.

The resolution I have offered is to correct the RECORD by striking out this anonymous letter which the gentleman from Washington told the House was an editorial in the Washington Post. That is the gravamen of the resolution.

I am very sorry this has happened. It was a matter of great embarrassment and regret to me, but I feel it my duty, as the only spokesman from my city, to take the floor in response to this attack. The material alleges, in effect, that the whole staff of officials of the city of Alexandria are not what they ought to be.

I do not know what the gentleman from Washington knows about the city of Alexandria, I do not know what he knows about the history of his own State. Perhaps he is excusable for the statements which he made on yesterday—and I desire to make no personal attack upon him; perhaps he can be excused because of the varied and active life he has led, according to his biography. Perhaps so much of his time has been taken up in his organizational work of the CIO and as walking delegate for various and sundry unions that he has

not had time to study the history of his State.

I wonder if the people of that great State approve such an attack upon a sister State. I wonder if they approve the attack upon the great Old Dominion of Virginia.

I wonder if the gentleman knows the origin of his State. I wonder if he knows that in the early days the Commonwealth of Virginia sent out those intrepid explorers, Lewis and Clark, who first planted the standard of Virginia upon the Columbia River in the gentleman's State. And I wonder if he knows that by right of discovery all of the great Northwest Territory belonged to the great Commonwealth of Virginia. And I wonder if he knows when the time came that we were having difficulties in forming this Union that Virginia, with a generosity unexceeded anywhere in the history of the world, gave up that great territory in order that the Union might be formed. That this great Commonwealth of Virginia said to the other Colonies: "Have an empire on me!" And gave that great territory, including the gentleman's State, in order that this Union might be formed.

I wonder if he had known that, and known that that gracious and generous action on the part of the Commonwealth of Virginia made possible the State which he represents, and made it possible for him to occupy a seat in this Chamber yesterday, if he would have made this attack? As I say it is the busy and varied life he has led that perhaps denied him the opportunity to know these historical facts, but I expect the people of his State who have read their history books will regret, as I regret, the error which he made in attacking his mother State on yesterday.

Now I want to comment briefly upon the statements which he made. He said that on account of the poll tax—that is between the statements made by the gentleman and the statements made by the anonymous person who would not sign his name to the communication—between those two it is said that only 5 percent of the people of Virginia are permitted to vote. It so happens that in the last election in 1944 in my district 16½ percent of all the men, women, and children in that district cast their ballots. Nobody is prevented from voting in Virginia. We do have a little law down there that indicates that a person who is sufficiently interested in the affairs of his State might well pay a little tax if he is going to help say what taxes shall be imposed upon the rest of the people of the State. That does not suit some folks; in fact, we have several old-fashioned customs down in Virginia which do not appeal to the ideology of those with whom the gentleman from the State of Washington consorts. We cling to some old-fashioned ideas. We believe in the Constitution which, by the way, had its very foundations and beginning in the good old city of Alexandria in Gadsby's tavern, that city which the gentleman so ungraciously attacked on yesterday. There George Washington called a convocation of a number of people from other States and they first discussed the Constitution, and in a few

days from his home in Mount Vernon he sent out a call for the first constitutional convention. Perhaps the gentleman was not aware of that. But being grounded and rooted in those old constitutional ideologies which made this Nation what it is today, our people in their old-fashioned way cling to those views. They have never been willing to wed with the foreign views that come from some countries and some foreign shores. That seems to be resented by certain factions in this country.

Then we have another old-fashioned habit down there that is out of date now. We have the old-fashioned habit of attending to our own business and letting the other fellow do likewise. That old-fashioned notion is very offensive to certain folks. It also seems to us down in Virginia, for instance, that if the gentleman from Washington would attend to the wants and needs of his 250,000 people whom he represents in the State of Washington and who apparently need a great deal, if he would attend to them and let me, feeble and inadequate as I am, attend to the wants and needs of the 500,000 people whom I represent in Virginia, we would both get along much better and much more harmoniously.

The gentleman complains that very few people voted for our officials down in Alexandria and in justice to them I think I ought to say something about that to you because of his violent and vicious, and to use a longer but prettier word, inaccurate statement with reference to the officials of the city of Alexandria. I may say in their behalf that we are a peaceful folk down there. We get along together very nicely if some of these foreigners will stay away and leave us alone. We are not always changing our ideas. You know, some folks want a row and a racket, and if during election time there is not a row and a racket they are disappointed. We do not feel that way down in Alexandria. It may sound to you like a remarkable fact but many of our city officials have held their offices term after term without opposition. It is perhaps a more remarkable fact, and one of which the gentleman from Washington and his ilk will complain, that last year, in 1944, all our city officials were reelected. If they had not been good officials, some one person down there would have gotten up and made a noise about it. I want to tell you that every one of those city officials was elected without opposition either in the general election or in the primary.

The gentleman states that only 5 percent of our people vote. I think I should put the figures in the RECORD. The official census figures show a population of 33,523 people in Alexandria. That is the last census. In 1944 the official figures showed that 7,823 of those people voted, not counting spoiled ballots. That is approximately 25 percent of all the men, women, and children in Alexandria.

We have another old-fashioned idea. They say our people do not vote. You see, only those over 21 years vote in my State, only people who still live there and who have not passed on to their reward vote in my State, and only people who are duly registered and qualified vote in

my State. As those under 21 do not vote, we have another old-fashioned habit down in Virginia that has gone out of date apparently and which some people do not like. Our folks down there have children and love their children, and some of them have the old-fashioned big families; so that we have a great many children in Virginia. If the gentleman will compare the figures which I have just quoted with the figures in his own State, and taking into consideration that our folks like to raise big families as their forefathers did before them, he might be induced to soften his attitude toward the alleged sins and shortcomings of my community.

But I want to conclude by saying this, if it is repetition, that in the future I do hope that some of these folks who are always jumping on the people of the South will pay a little heed to the admonition I have just given the gentleman from Washington and a little heed to that old-fashioned but good custom that we still entertain down in Virginia, and that is, you attend to your business and we are going to attend to ours, and if you do not like it we are going to do what we can about it to keep your nose out of our affairs.

The letter advising the gentleman from Washington that I would take this action, is as follows:

FEBRUARY 13, 1946.

HON. CHARLES R. SAVAGE,
House of Representatives,
Washington, D. C.

DEAR SIR: When the House meets today, I shall, as soon as I can obtain the floor, move to correct the RECORD with respect to the matter placed therein by you under unanimous consent on yesterday, at page 1267 [daily RECORD].
Sincerely yours.

Mr. Speaker, I move the adoption of the resolution.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes seemed to have it.

Mr. SMITH of Virginia. Mr. Speaker, I demand a division.

The House proceeded to divide.

Mr. DE LACY (interrupting the division). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The House is dividing now. Nothing else is in order now.

Mr. DE LACY. Are there not two sides to a debate, Mr. Speaker?

The SPEAKER. The Chair is putting the question. The Chair is going to be fair to everybody in this House; the Chair wants the gentleman from Washington and everybody else to understand that. The Chair has always thought that each man, being elected by his own State has a right to speak.

The division was concluded.

The SPEAKER. On this vote by division the ayes are 74 and the noes are 2.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to include as part of my remarks a letter which I had

delivered to the gentleman from Washington this morning advising him that I would take this action.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague the gentlewoman from Connecticut [Mrs. LUCE] at Nashville, Tenn.

Mr. STEWART asked and was given permission to extend his remarks in the RECORD and include a letter from Corp. Maurice A. Schade, a veteran of World War II.

Mr. MCKENZIE (at the request of Mr. LARCADE) was given permission to extend his remarks in the RECORD and include a copy of an editorial from the Shreveport (La.) Times.

RADIO BROADCASTING

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 524, Rept. No. 1567), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5117) to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill (H. R. 5117), the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill (S. 63), and it shall then be in order to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H. R. 5117.

STATEMENT OF POSTMASTER GENERAL HANNAGAN

Mr. SLAUGHTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SLAUGHTER. Mr. Speaker, the statement of Postmaster General Hannagan, appearing in this morning's press, disposes of the rumor first printed by a Chicago newspaper to the effect that President Truman has said he would not be a candidate for reelection in 1948.

The rumor, which was not based upon fact, did not start by accident. It was deliberately promoted by the left wingers who attempted to take over the Democratic Party at the 1944 Democratic

Convention. They, of course, do not want Mr. Truman in 1948, nor any other Democrat who believes in the private enterprise system and a constitutional form of government. Mr. Truman has never been and never will be popular with the long-haired and left-wing hoodlums who shrieked and howled their protests in the galleries at Chicago.

Mr. Hannegan's statement definitely disposes of this falsehood, designedly made and carefully timed to injure the influence of the administration, particularly in its dealings with certain current questions of foreign policy.

EXTENSION OF REMARKS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech I made a long time ago.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HOOK (at the request of Mr. SAVAGE) was given permission to extend his remarks in the RECORD.

Mr. IZAC asked and was given permission to extend his remarks in the RECORD and include an article from Naval Affairs.

Mr. HOFFMAN (at the request of Mr. WOODRUFF) was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in two instances and include in one an editorial.

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a short, juicy article entitled "The Tale of a Door Knob."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. BOLTON (at the request of Mr. MICHENER) was given permission to extend her remarks in the RECORD and include a newspaper article.

Mr. ANDERSON of California (at the request of Mr. MICHENER) was given permission to extend his remarks in the RECORD and include a telegram.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. O'HARA asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. D'EWART asked and was given permission to extend his remarks in the RECORD and include a clipping from the Cut Bank (Mont.) Pioneer Press.

Mr. COLE of Kansas asked and was given permission to extend his remarks in the RECORD and include a petition by the students of Hamlin (Kans.) High School.

Mr. PITTINGER asked and was given permission to extend his remarks in the RECORD and include an article and an editorial.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include a letter from the Daughters of the American Revolution.

SETTLEMENT OF A STRIKE

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article with reference to the settlement of a strike.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. MICHENER addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. O'HARA. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTINGER. Mr. Speaker, I ask unanimous consent that on Monday next, following any special orders heretofore entered, I be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

STOP NAGGING THE SOUTH

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, at this time I desire to address my remarks to the three gentlemen from Washington [Mr. DE LACY, Mr. COFFEE, and Mr. SAVAGE].

I want to warn them that their attacks on the white people of the South are not doing them any good.

I want to remind them that in the years past and gone the State of Washington reached out its hand and asked for help at the hands of the white people of the Southern States, and got it. The great Columbia River development got its support largely from men from the Southern States, including the State of Mississippi and the State of Virginia. I was one of them. There never has been a more enthusiastic, consistent supporter of the Columbia River development than I have been at all times.

But I am tired of hearing these men get on this floor and attack the white people of the South, the best friends the people of the Columbia River Basin ever had in Congress. You are doing your State more harm than any other three men I have heard talk on the floor of this House. I implore you to get back "on the beam" and stop these attacks on the people who have helped you in the past and who will have to help you in the future—if you get any help.

PERMISSION TO ADDRESS THE HOUSE

Mr. DE LACY. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I be permitted to address the House for 15 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DE LACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. DE LACY. Mr. Speaker and Members of the House, I always listen to the gentleman from Mississippi, not because I admire his choice of epithets or because I like the content of his speeches, but because he is clever. I think the State of Washington and its Representatives will contrive somehow to take care of themselves. Our delegation here is united in its belief that everybody in this country deserves a fair and equal break, regardless of race, creed, or color. Our actions in support of that great American principle will speak for themselves and for us.

PERMISSION TO ADDRESS THE HOUSE

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SAVAGE. Mr. Speaker, it seems to me pretty good to be so popular here this morning. I will say to the gentleman from Virginia I am one of the 500,000 constituents of his, but I have no vote there just like a lot of others; but I vote in the State of Washington where voting is free, I do not pay a poll tax there. I am sorry if I have accidentally referred to a letter from the editorial page as an editorial. I might say to the gentleman from Mississippi that I do not attack the white people of the South nor do I attack the colored people of the South. To me America is 140,000,000 people trying to live and cooperate together. I like all people. I like to cooperate and associate with them all. Whatever help the gentleman gives us in the way of public power, and so on, which he refers to, I appreciate very much. Now, when I make attacks, those attacks are on certain principles or some action that has taken place, or is taking place and I attack no people or personalities. I like the 140,000,000 people we have in America and I am going to cooperate with them to make it the best possible America that we can. I am working for the highest possible standard of living for all the people of the United States without regard to race, creed, color, or what section of the country they live in. I like the South and the people that live there.

In fact some of those who live in the South are my own relatives.

I expect to make more savage attacks but they will be on issues and not on personalities.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks and include a short editorial from the Portland Oregonian on the forty-ninth State.

TREASURY AND POST OFFICE DEPARTMENT APPROPRIATION BILL, 1947

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate may run throughout the day, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself, and that we shall read the first paragraph of the bill before the Committee rises this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Indiana.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5452, with Mr. PRIEST in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Indiana [Mr. LUDLOW] is recognized.

Mr. LUDLOW. Mr. Chairman, I yield myself 40 minutes.

Mr. Chairman, one fact which we should bear distinctly in mind in making appropriations for the Treasury and Post Office Departments is that these are preeminently service establishments. While there are some items for supplies and equipment involved, it is true in the main that the measure of the appropriations in both of the Departments is the need of supplying funds for vital services.

While your subcommittee is in thorough accord with the policy of reducing expenditures to the lowest possible minimum, this is a bill that does not lend itself to reductions by any arbitrary rule of thumb. Every item in it had to be considered with meticulous care to see that not one unnecessary dollar was appropriated but always with the thought that we should, and must, supply all of the funds required to perform essential services. Our task was delicate and difficult. The postal service touches intimately every person in the United States and its possessions and its arms reach all around the world. The Treasury Department is scarcely less embracing in its ramifications and operations. The

mails must be moved. Personnel must be provided to move them. Treasury checks must be processed in tremendous volume. Taxes must be collected and the Internal Revenue Bureau must be provided an army of personnel to collect them, else the revenues will suffer. Bonds must be sold to meet the continued heavy demands of our national financing; and so forth. Our problem was to try to meet these needs adequately and at the same time to avoid appropriating \$1 more than the actual requirements.

LONG AND GRUELING HEARINGS

To the accomplishment of this task your subcommittee devoted its best efforts, diligently and conscientiously, over a long period of time. We began our hearings on November 28 and closed them on January 18. To the members of the subcommittee, of which I have the honor to be chairman—Mr. O'NEAL, Mr. KOPPLEMANN, Mr. D'ALESSANDRO, Mr. TABER, Mr. KEEFE, and Mr. CANFIELD—I wish to pay my humble tribute of praise for the notable contribution they rendered in the preparation of this bill. I am proud to be permitted to cooperate with these fine men in the service of our country. All of us worked with a unity of purpose to bring out a bill under which the departments can operate efficiently and which at the same time will be fair and just to the taxpayers. In our efforts we had the assistance of a clerk who is gifted with sound judgment and equipped with a most comprehensive knowledge of the Government, Mr. George Harvey. It is my opinion that no subcommittee ever had a better clerk than Mr. Harvey.

POSTAL SERVICE BACK IN THE RED

In approaching our task of framing this bill we found a situation basically different from that which has obtained for a long time. Heretofore, in recent years we have been appropriating in the light of a rising tide of volume and revenues in the postal service and a postal surplus and a rising tide of volume in the Treasury Department. Now the picture changes, and for the first time in years we encounter the factor of diminishing volume and revenues in the postal establishment and diminishing volume in the Treasury Department except in the Internal Revenue Service and the Division of Disbursement. Suddenly this year the postal surplus has vanished and the postal service has switched from the black to the red. How much it is in the red no one knows.

We have rightly, I think, taken cognizance of this reversal of trends in preparing the bill now before you. We have reduced estimates all along the line to conform to anticipated reductions in the work load. We have not had very definite landmarks to guide us but we have done the best we could to meet this changed conditions. I ask the officials who may think their appropriations have been cut too deeply to recognize, as we have tried to do, that the country is staggering under a stupendous debt and that it wants appropriations held to the lowest possible minimum and I assure

those in charge of vital operations that if the amounts fixed in the bill should prove in some instances to be actually lower than is necessary to perform essential services they may have their day before the deficiencies subcommittee. We believe, however, that with careful administration the two Departments can get along on the amounts we have allowed.

POSTAL VOLUME DROPS

The general decline in the postal business is so marked as to be reflected in the work loads of the various offices of that Department. The decline first became noticeable last September, when postal revenues fell 6.50 percent below revenues for September 1944, and the decline has been steady ever since, the percentages of decrease of revenues in subsequent months being as follows: October, 9.11; November, 3.10; December, 7.10, and January is proving to be about the same as December. When the Post Office Department officials were before our subcommittee in December they estimated that postal revenues in the fiscal year 1946 would be \$1,300,000,000. On the basis of the full 6 months' experience the Department has now revised its estimate of revenues for the fiscal year downward to \$1,248,000,000, or a reduction of \$52,000,000 below former estimates. It is impossible, of course, to foretell what the actual volume of mail in 1947 will be, but all information now available is indicative of a lesser volume of mail than was used as a basis for the estimates submitted in the Budget. On account of similar reduction in volume and a slowing down of operations we found it possible to make heavy cuts in the Treasury Department, especially in the appropriations for Foreign Funds Control, the handling of penalty mail, administering the public debt, and the Office of United States Treasurer.

HOW THE PRUNING KNIFE WAS APPLIED

There are 107 appropriation titles in this bill. In no single instance did our subcommittee raise any one of the 107 estimates and we cut 81 of them. Only 26 titles remain untouched.

The total of the appropriations carried in this bill is \$1,604,556,940, a reduction of \$64,395,020 below the 1946 appropriations and \$29,660,250 below the 1947 estimates.

The Treasury Department appropriations in the bill total \$325,495,500, a reduction of \$39,403,460 below the 1946 appropriations and \$10,482,500 below the 1947 estimates.

The Post Office Department appropriations in the bill total \$1,279,061,440, a reduction of \$24,991,560 below the 1946 appropriations and \$19,177,750 below the 1947 estimates.

NONPOSTAL CREDITS

Our subcommittee went rather exhaustively into the matter of nonpostal credits, which relate to services performed by the Post Office Department for other branches and agencies of the Government for which postage is not paid. We inquired particularly into the operation of Public Law 364, the penalty-mail statute.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman spoke about the hearings on penalty mail and stated that the hearings contributed nothing. I have been receiving complaints that the Penalty Mail Division and the auditing of it, the reports of it, the cost of it, are not accurate; they do not state the full cost of carrying penalty mail. Is that part of the confusion to which the gentleman refers?

Mr. LUDLOW. It is. I will go into that a little later.

Mr. CHURCH. I would appreciate it if the gentleman would.

Mr. LUDLOW. Mr. Chairman, this is the law which requires the various departments and agencies using penalty mail to file reports with the Post Office Department. The War Department, Navy Department, and Post Office Department were specifically exempted from the law; all others come under its provisions. It was felt when the law was enacted that it would exercise a restraining influence that would reduce the cost of penalty mailings.

I think it is a fair statement to say that the hearing on penalty mail contributed nothing except to add to the bewilderment and mental obfuscation of members of the subcommittee. J. F. Gartland, director of budget and administrative planning, testified that in the fiscal year 1945 there was a decrease from 2,195,000,000 to 1,908,000,000 in pieces of penalty mailings, or a reduction of 287,000,000 pieces, and that at an average handling cost of 1½ cents per piece the resultant saving in money would appear to be \$4,300,000. But it developed that in making his computation he had included the War, Navy, and Post Office Departments, which are exempted by law, and this gave rise to a question as to the accuracy of his estimate of the operations of the penalty-mail law. A statement subsequently submitted to the subcommittee by Mr. Gartland, found on page 61 of the hearings, shows estimated postal revenue lost by penalty mailings to be \$18,163,589 less in fiscal year 1945 than in fiscal year 1944.

On the other hand, there was a good deal of testimony, rather intangible but, nevertheless, impressive, tending to show that the penalty-mail law is piling up administrative costs in the various bureaus and agencies which may more than offset the savings from reduced mailings. This was hinted by Mr. Gartland in his testimony, page 4 of the hearings, when he said:

We know that some departments do not favor the law. They feel that it is costing them a great deal of money to carry out its provisions.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Utah.

Mr. GRANGER. I notice under the rule making this legislation in order a rule was adopted waiving all points of order which effects what, I think, is a repeal of the Silver Act. It seems to me this great Committee on Appropriations

is going a long way to take unto itself the responsibility of repealing an act that has been in effect in the Congress for a good number of years. It is a back-door approach to destroying the great silver industry of this country, and it seems to me that the Committee on Appropriations should hearken to the words expressed by the President of the United States in attaching riders onto appropriation bills that have the effect of repealing other laws.

Mr. LUDLOW. I am glad to have the gentleman's contribution. I expect to discuss that a little later.

On pages 611 and 612 of the hearings are found illuminating excerpts from letters received from various agencies relative to the reasons for a reduction in penalty mail, all of which contribute to show that the influence of the penalty-mail law on the volume of penalty mail was virtually nugatory and that it possibly increased rather than reduced the cost of government. After reviewing the conflicting testimony I think our subcommittee was in doubt as to whether the penalty-mail law is accomplishing anything worth while and whether in the public interest it should not either be strengthened or repealed. Anyhow, that is a matter for the consideration of the legislative Committee on Post Office and Post Roads and does not come under the purview of the Appropriations Committee.

THE CONGRESSIONAL MAIL

In reference to franked mail—the mail of Members of Congress—Mr. Gartland testified as follows—page 62 of the hearings:

The amount of mail franked by Members of Congress is negligible. In 1944 it amounted to but 23,969,664 pieces and from preliminary figures there was not an appreciable difference in 1945. There has been less franked mail sent out in the last 2 or 3 years than there has been in any but 2 of the 17 years preceding.

In a table found on page 61 of the hearings the Department estimated that if postage had been paid on the franked mail sent out by Members of Congress in the fiscal year 1945, the revenue accruing therefrom would have been \$1,080,134 as against \$1,069,495 in 1944. As 1946 is a campaign year a slight rise in franked mail may be expected this year. It will be somewhat comforting for Members of Congress to know that the franked mail cost in 1945 was \$76,088 less than in 1943, and \$137,425 less than in 1940, indicating that Members are showing a commendable restraint in the volume of their free mailings.

POSTMASTER GENERAL HAS AUTHORITY TO KEEP MAILS MOVING

While our subcommittee has made drastic cuts in postal estimates as an incentive to economy this does not mean that our cuts will in any way or degree hamper the postal establishment or be a deterrent to the achievement of that perfection of service which the public has a right to expect. As the able clerk of our subcommittee so truthfully says in the report on this bill:

The Budget for the postal service presents a problem to the Committee on Appropriations and to the Congress generally which

is unlike that involved in the consideration of other Budget items. The factors making up the largest elements of cost are predetermined by statute and by other authority. The Postmaster General has authority—as he must have in order to be able to move the mail whenever and wherever it is delivered to the post offices—to appoint certain types of employees in such numbers, regardless of amounts of appropriations, as are required to render the service which the Department is bound under law to render. The rates charged by the railroads are fixed and cannot be curtailed by the simple process of cutting appropriations. The rates of compensation to be paid employees are fixed by law. The rates for air-mail transportation are under the jurisdiction of the Civil Aeronautics Board and even the postal officials have little voice in their costs for that service.

So, in arriving at amounts to be appropriated for the postal service, it is not a question of how much the taxpayers of the Nation can afford to spend or, as a matter of policy, ought to spend on a particular activity as is the case with other agencies of the Government. It is purely a matter of estimating as accurately as possible what the mail load will be and how much—within the limits of the controlling statutes—it will cost to move it. Whenever the amount appropriated is found to be insufficient there is no alternative but to supply the additional amount required through a deficiency appropriation.

MAJOR REDUCTIONS

Acting under this philosophy and with complete recognition of this understanding our subcommittee reduced the estimate for the salaries of postmasters \$1,000,000, clerks at first- and second-class post offices \$3,000,000, carriers \$1,300,000, railway mail transportation \$1,000,000, and a number of other items in proportion, believing that our cuts are justified by the marked downward trend in postal business. If we are wrong and postal business resumes an upward trend the Postmaster General will be entirely at liberty at all times to provide whatever force of clerks and carriers and to buy whatever railroad space and to buy whatever railroad space may be necessary to handle the mails and then come to Congress with deficiency estimates for the additional amounts that may be needed.

To the Postmaster General we gave substantially the amount requested by the Budget. His office is the focal point of postal administration and he needs and is entitled to a strong and capable force. We allowed the Second Assistant Postmaster General three additional employees on account of the international postal service and 13 on account of air mail. These two services are certain to expand despite the marked decrease in postal business and additional personnel is required on that account. We have provided for a far-reaching step in sound postal administration by allowing the Bureau of Accounts \$85,200 to complete the retirement record of employees in the postal service. This is a necessary job that has been too long deferred. It is the hope of our subcommittee that by the end of the fiscal year 1947, all postal retirement records will be current and that it will be possible to maintain them on a current basis thereafter. Whenever an employee makes an application for retirement it is necessary to

check his service record and the administration of the law has too often been delayed and handicapped by the imperfect records.

FIVE ADDITIONAL INSPECTORS

Inspectors are proverbially known as "the eyes and the ears of the Postmaster General" and during the 16 years I have been a member of the Appropriations Committee, I do not remember a year when there have not been insistent appeals to augment the inspection force. The field of service of inspectors appears to be about as broad as all outdoors and all postal authorities agree that efficient administration depends on a large, well-organized inspection department. For one thing, inspectors are supposed to inspect post offices at least once a year, but this program, so necessary to check on improper practices, embezzlements, and so forth, has fallen down miserably on account of a lack of manpower.

This year the Department asked the Budget Bureau for 80 additional inspectors. The Budget Bureau approved 40. There are currently 795 inspectors, in addition to 15 inspectors in charge. Our subcommittee is loathe to approve accretions to the high-salaried permanent personnel of the Government, except for the most substantial reasons. It occurred to us also that the inspectors who have been assigned in connection with military operations will now be available to return to their regular work, so we decided to allow 5 additional inspectors, increasing the force to 800. We established as a condition that the cost of these five inspectors, about \$20,000 for the first year, shall be absorbed from the appropriation of \$3,898,000 which we allow the inspection service.

COMPENSATION OF POSTMASTERS

The amount which we recommend for compensation of postmasters, \$74,000,000, is \$1,000,000 less than the Budget estimate and \$2,180,533 over the amount appropriated for 1946, plus the cost of new pay legislation. The salaries of postmasters are based on the receipts of their offices and as the trend of postal business and revenues is distinctly downward we believe the amount we have allowed will cover the bill. If it does not, no harm will be done. The salaries are statutory and must be paid and the amount of the appropriation in this bill does not in any way affect the salary of any postmaster.

ASSISTANT POSTMASTERS DISAPPROVED

The Budget estimated the salaries of assistant postmasters at \$12,011,000 and we reduced the amount \$571,000 by disallowing a proposal of the Post Office Department for the appointment of 200 additional assistant postmasters. There are 4,521 post offices of a type that makes them eligible for assistant postmasters and the Department has long sought to have every eligible post office provided with an assistant postmaster, but our subcommittee has constantly taken the position that most of these post offices can get along very well without assistant postmasters and that appointments to that position should only be made where there is a demonstrable need. The law is

so phrased as to permit the appointment of assistant postmasters at all first- and second-class post offices, but it is not mandatory and we believe that no real need for assistant postmasters exists at many of the smaller offices.

CITY DELIVERY TO BE RESTORED

During the war city-delivery service necessarily was curtailed in many areas. Particularly was this true in the residential sections of many cities. Where there had been two deliveries a day, the service was reduced to one delivery a day. The Department intends to restore this suspended service as rapidly as the manpower situation will permit and the appropriation we have allowed will not interfere with this program of service restoration.

RURAL DELIVERY

For rural-delivery service we approved \$114,500,000 which, while \$500,000 less than the Budget estimate, is ample, in our opinion, to take care of all of the needs of that service in view of the anticipated decrease in the cost of substitutes and in the allowances for heavy duty and other items resulting from decreased postal volume. We have protected the future expansion of this service by carrying a limitation on the appropriation which reads:

Of which not less than \$200,000 shall be available for extensions and new service.

As a matter of fact the Department officials advised us that they have set up as their objective the following program of expansion in 1947.

For extensions of existing service, \$205,525; for new service, \$225,000; total, \$430,525.

There are now 32,106 rural routes, well distributed over the entire country. Consolidations have reduced the number of routes from a peak of 45,315 in 1927. C. B. Uttley, Deputy First Assistant Postmaster General, in his testimony before our subcommittee indicated that in his opinion the process of consolidation has gone entirely too far. He said:

A lot of these long routes have become so heavy in patronage that we have got to break them up and establish new routes, and we have a number of investigations pending right now.

VILLAGE DELIVERY

We approved the full Budget estimate of \$273,400 for village delivery, which will provide for operating the existing service and for some extensions but for no new services. The last village-delivery service in continental United States was established in 1934. One was established a few months ago in Puerto Rico on account of peculiar conditions existing there, but the Department does not contemplate the establishment of any new village deliveries within the continental boundaries of this country. C. B. Uttley, Deputy First Assistant Postmaster General, testified that the Department has been influenced to take that attitude because of resentment not only of the village carriers but of the public in support of the carriers, and he added:

The village delivery carriers are working just as hard or harder than the city delivery carriers are working for much less money. The city delivery carriers start from \$1,700 and they can go up to \$3,000 a year, and the

village carriers start from \$1,200 and they can go only to \$1,700.

When the receipts of a village post office reach \$10,000 it becomes eligible for city delivery. Ninety-one village deliveries will be transformed this year to city deliveries, which will leave only 159 village deliveries in the entire country. The evolution of this service indicates that the time may not be far distant when village delivery will become extinct.

FOREIGN MAIL

For foreign mail transportation by surface and foreign air-mail transportation we have allowed what can be described at best as token appropriations of \$4,000,000 and \$5,000,000 respectively. Our foreign mail service to many parts of the world was so badly disorganized and disrupted by the war that more progress must be made in unraveling the tangled skein of reconstruction before we shall have definite bearings for appropriation purposes. Shipping stringencies entering into the transportation of mail by boats promise to last a long time. For the current fiscal year the appropriation for transportation of foreign mail by boats was only \$400,000. To provide the necessary financial needs for restoration of the service as rapidly as possible we have allowed 10 times that amount, or \$4,000,000, which is a guess in the dark. For foreign air-mail transportation we have allowed the full Budget estimate of \$5,000,000, which is less than one-third of the amount required for this service in 1941. For the past 4 years there has been practically no paid service outside of the Western Hemisphere and there is no experience on which to base an estimate of cost in 1947 which would be realistic. Potential air carriers are evincing great interest in the establishment of new foreign air-mail routes and the increasing of frequencies on existing routes but the extent of our appropriating liability will remain unknown until the rates are fixed by the Civil Aeronautics Board and in order to clarify the picture the Civil Aeronautics Board in the report on this bill is being asked to reduce the lag between the issuance of the certificates of convenience and necessity and the fixing of the rates. One year from now we should have a much better understanding of the appropriation needs for both foreign mail by boats and foreign air mail.

DOMESTIC AIR MAIL

The Budget Bureau sent us an estimate of \$50,000,000 for domestic air service during the fiscal year 1947. We reduced the estimate an even million dollars, on the theory that an appropriation of such magnitude could stand a relatively small cut and in view of the further fact that from the appropriation of \$43,315,000 for the fiscal year 1946 there is an estimated saving of \$716,436. The growth of the domestic air-mail service has been spectacular. During the fiscal year 1945 61,698,222 ton-miles of air-mail service were performed, an increase of 19,408,377 ton-miles, or 45.89 percent in 1945 over the 42,289,845 ton-miles performed in 1944. It is a foregone conclusion that there will be a vast and rapid expansion of all phases of air transportation in the

not distant future, with a consequent increase in the number of air-mail routes and the volume of air mail. A very large number of proposals for new routes are now under consideration by the Civil Aeronautics Board. Postmaster General Hannegan is advocating a reduction in air-mail postage from 8 cents to 5 cents an ounce. If that change is made it undoubtedly will greatly increase the volume of air mail and the burden on this appropriation. No attempt has been made to provide in this appropriation for the expansion that is already foreseen and we will face that problem when the time comes.

OMNIDENOMINATIONAL MACHINES

In the equipment appropriation of the Fourth Assistant Postmaster General we earmarked \$1,000,000 for the purchase of omnidenominational postage meters, stamp-vending machines, coin-operated postage meters and other modern mechanical postal devices. The experts of the Post Office Department stressed the great advantage of these inventions and lauded them as an important feature of postal equipment in the years to come. It was represented that these machines will be a great convenience to the public as they will enable people to buy stamps in post-office lobbies at hours when the post-offices are closed, and that they will be of inestimable value in more readily handling the long lines of customers that for min post-offices during the Christmas rush and other heavy mailing periods.

LARGE TRUCK REPLACEMENT PROGRAM

We authorized the Fourth Assistant Postmaster General, Mr. Myers, to start on a large motortruck replacement program. We feel that this program is perhaps overdue and that under Mr. Myers' capable supervision it will be in good hands. The Department's truck fleet has become badly worn and run down, some of the old trucks having run up to 200,000 miles. There are now 149 trucks more than 25 years old in use in the postal service. Vehicles of that age are very expensive to maintain. The Budget Bureau sent us an estimate of \$6,257,000 for the purchase of 5,780 motortrucks for the postal service. We reduced the amount proposed for 1947 truck purchases to \$3,500,000 in the belief that not more than that amount can be judiciously expended during the year. We are convinced that the Department needs these replacements.

FOREIGN FUNDS CONTROL

The Treasury Department activity known as Foreign Funds Control is heading toward a rapid termination. We allowed that activity \$1,000,000 for the fiscal year 1947, exactly 50 percent of the appropriation for 1946 which in turn was 50 percent of the appropriation for 1945. The downward spiral is certain to continue with accelerated speed.

The testimony of Orvis A. Schmidt, the Director, was that it probably will be possible to completely liquidate Foreign Funds Control during the next fiscal year.

We feel—

He said—

that by the end of the fiscal year about which we are now talking we will be in such

shape that any residual problems will no longer justify the maintenance of a separate organization and that we will have so nearly completed our obligations that whatever residual obligations there may be can be handled by a few men.

It is believed that the Treasury Department will be the logical liquidating agency to finish the operation.

The Budget Bureau sent us an estimate of \$1,300,000 to continue Foreign Funds Control during fiscal year 1947. We believe that the tempo of liquidation can be speeded so that a million dollars will suffice. Only residual defrosting problems will remain for solution in 1947. The precise number and scope of these problems will depend on basic political developments and other high policy decisions. Foreign Funds Control is now generally recognized as one of the most effective defensive and offensive economic weapons ever created. It was put into operation a year and 8 months before Pearl Harbor and was extended until it covered over 30 countries and funds aggregating \$8,500,000,000 were frozen. China was the only one of the blocked countries that came under the control voluntarily. For managing and conserving all of these tremendous foreign assets our Government has not received and will not receive one dollar. The control was established solely as a protection to the United States and not for pecuniary profit. The blacklist—a list of persons in foreign countries who cooperated with Germany—will remain in effect for some time, Director Schmidt testified.

"The people who cooperated with the Allied war effort sacrificed the profits they could have made by trading with Germany and we feel that we should now repay them by keeping the list in effect," he said.

THE BLACKLIST

There are approximately 6,000 names on the blacklist, about 3,900 in the Western Hemisphere and 2,100 in Europe. As long as these names are on the list no American businessman can do business with them. Americans cannot communicate with them. They cannot sell goods to them. They cannot receive payments from them or make payments to them. It is a complete shut-out and people on the blacklist are precluded from doing business with anybody in any of the United Nations. It is believed that this ban on trade intercourse will certainly lead to the forced liquidation of many firms on the blacklist.

DIVISION OF DISBURSEMENT

The Division of Disbursement is feeling the impact of an enormous increase of work due to the increasing load of social security and veterans' checks. During the fiscal year 1945 the Bureau handled 84,298,027 items of payments, collections, and bonds. This grew to 114,281,200 items in fiscal 1946, and it is expected to take on the proportions of a rolling snowball in 1947 when 128,108,400 items are scheduled to be processed. We allowed the Bureau an appropriation of \$7,100,000, or \$100,000 less than the Budget estimate.

BUREAU OF PUBLIC DEBT

Due to the end of the war the operations of the Bureau of the Public Debt will be conducted on a greatly reduced scale in fiscal year 1947, and we made the appropriation for that Bureau conform to the reduced work load. We decided that \$64,700,000 would be sufficient to operate the Bureau during the next fiscal year. This is \$5,000,000 below the Budget estimate and \$18,550,000 below the appropriation for 1946. It is estimated that sales of United States Savings Bonds during 1947 will be about 55 percent under estimated sales for 1946, and redemptions of such bonds approximately 31 percent under the estimated number to be redeemed during 1946.

WAR FINANCE DIVISION

The part of the 1947 appropriation of the Bureau of the Public Debt that is allocated to the War Finance Division is \$2,000,000, a reduction of \$9,249,316 below the total obligations of that Division for the fiscal year 1945 when the war was at its height. It is this Division that has had the job of selling bonds to the public during the war. It has been a stupendous task which at its peak engaged the services of some 6,000,000 people, all volunteers except a small paid staff. It was through the efforts of this Division that the pay-roll savings plan, which has proven to be quite popular throughout the country, was inaugurated, and the purpose of the estimate for 1947 is largely to carry forward this pay-roll savings activity. About 100,000 business firms have the pay-roll savings plan in effect and nearly all of them are manifesting a willingness to continue it as a peacetime service to their country.

Economists regard a wide distribution of savings securities as a wholesome indication, since it gives so many people a direct interest in their Government, and from this viewpoint it is interesting to know that 700,000,000 pieces of savings bonds are now outstanding and that 85,000,000 Americans now hold savings bonds.

CUSTOMS ENTRIES INCREASING

All indications point to a high level of import activity in 1947 and we allowed the Bureau of Customs \$29,430,000 to carry on its operations. This was a net reduction of \$600,000 below the Budget estimate. It is a curious fact that customs receipts are declining while customs entries are increasing. Receipts for the fiscal year 1945 totaled \$358,133,042 as against \$434,202,040 in 1944, but at the same time entries increased from \$2,249,317 to \$2,977,882. Customs authorities are agreed that the work load of the customs service is determined by the number of entries and not by the receipts. The drop in customs receipts in 1945 was due entirely to three circumstances. Duties on alcoholic beverages, imports of which were far greater in 1944 than ever before owing to the diversion of domestic alcohol for the production of synthetic rubber and other war purposes, declined sharply in 1945 with the moderating of previous restrictions to a mere 55.5 percent of the total for the previous year. Even so, the 1945 collections on such imports ex-

ceeded by 19.9 percent the duties on alcoholic beverages in 1937, the peak year prior to 1944. Most of the imports of sugar were admitted free of duty in 1945 with the extension of the scope of Executive Order No. 9177 to include sugar, and as a result the imports of cane sugar yielded less than one-sixth as much revenue in 1945—\$8,572,683—as in the previous year—\$53,286,873. In addition, there was a decline in duties on imports of unmanufactured wool, which yielded \$14,674,987 less revenue than in the previous year when such collections were the greatest in customs history. Exclusive of the three tariff schedules covering sugar, distilled liquors, and wool, duties increased from \$136,168,400 in 1944 to \$160,527,753 during the past year.

The customs service has a heavy task guarding vessels in port. The appropriation allowed will give the service 658 more guards than it had for the average of the 1936-39 period, but even that force will permit only 65-percent coverage. The Bureau's 1947 appropriation, as fixed in this bill, is an increase of \$814,990 over its total obligations for the fiscal year 1946.

ENORMOUS GROWTH OF INTERNAL REVENUE

The growth of the Bureau of Internal Revenue during the present decade staggers the imagination. Its personnel and appropriations have shot upward at an amazing rate and very little criticism, if any, of its expansion is ever heard because through its operations comes the stream of revenues that is the red blood of the Nation's finances, and it is generally conceded that it must be adequately staffed. New tax laws enacted in recent years have greatly magnified the Bureau's burdens and responsibilities. The elaborate hearings which we conducted relating to the internal-revenue service, lasting 2 days, gave us a comprehensive idea of the Bureau's work load, and we fixed its appropriation for the next fiscal year at \$184,700,000, an amount which not long ago would have been considered beyond all reason, but which now means that to live within it the Bureau will have to practice real economies. We reduced the Budget estimate \$2,000,000, a relatively slight reduction, directing the cut to such items as travel and communications, for which substantial increases were proposed in 1947. No longer ago than 1940, the turn of the decade, the appropriation for the Bureau of Internal Revenue was only \$59,877,500, the cost of collecting the revenue was \$1.12 per \$100, the total number of employees was 22,423, and the revenue collected amounted to \$5,340,452,346.78.

LOW COST OF COLLECTION

In 1945, the last fiscal year, the appropriation was \$146,900,000, the cost of collecting the revenue had dropped to 32 cents per \$100, the total number of employees had grown to 49,814, and the revenue collected amounted to the enormous total of \$43,675,865,945.25. On January 4, 1946, there were 55,337 employees actually on the roll, comprising a vast army of tax gatherers. Secretary Morgenthau last year asked for 5,000 additional people for his drive against

tax evasion. Our Committee on Appropriations gave him the green light and many of those agents already have been fused, or are in process of being fused, into the tax-gathering organization.

TAX-EVASION PROGRAM

Assistant Commissioner William T. Sherwood, who appeared before our committee as the over-all representative of the Bureau, said concerning the extent of tax avoidance and the goal that has been set for the tax-evasion force:

It is very widespread. There are many thousands of leads that have been successfully followed up, and I think Secretary Vinson, in his statement on the 1947 Budget, advised you that our collections in the period when we had partly trained and recruited these new men exceeded \$125,000,000 of collections for a like period in the last fiscal year. We have information that for the first 6 months of this year they will be \$185,000,000 in excess of the collections for the like period of last fiscal year. Now, the consequences of the work of these men to the total extent is not demonstrated by immediate collections. We believe sincerely that we will, at least, equal the estimate of \$1,000,000,000 that might be collected upon a proper enforcement schedule in the first full year of operation of these new people.

SECRET SERVICE

Our subcommittee was satisfied that the Secret Service branch of our Government is operating efficiently under Chief Frank J. Wilson and we allowed \$1,800,000, an increase of \$144,380 over the total obligations for the fiscal year 1946 for suppressing counterfeiting and other crimes. We approved the purchase of 60 new automobiles against the Chief's request for twice that number. He asked to be allowed to appoint 60 new agents at an estimated cost of \$284,000. We allowed \$215,000 for that purpose, believing that the reduced amount will provide for such operational expansion as seems warranted at this time. The number of new counterfeiters has grown less year by year, due, it is believed, in part to the Secret Service crime-prevention educational campaign, but the forgery of Government checks and bonds has become an extremely serious problem. Last year the Secret Service received a total of 16,380 checks for investigation and 1,722 forgers were arrested. Most of the forged checks were for Army and Navy allowances and allotments to the families of soldiers and sailors.

VAST COINAGE PROGRAM

The Bureau of the Mint is planning to manufacture 2,600,000,000 coins in the fiscal year 1947, as against 2,646,131,101 in 1945, and 2,195,451,000 in 1946. Of the 2,600,000,000 pieces to be produced 1,655,000,000 will be 1-cent coins. There is a tremendous demand for pennies, especially in States that impose a sales tax.

NEW EQUIPMENT PROGRAMS

With the war over, there is great need for new equipment in the Bureau of the Mint and the Bureau of Engraving and Printing to supplant worn-out and deteriorated machines that could not be replaced as long as the war was on. Some of the machines used in the mints are a century old. Director Ross, of the Bureau of the Mint, requested \$374,100

for modernized mechanized mint equipment. Director Hall of the Bureau of Engraving and Printing, asked for \$655,000 as the first installment of a 10-year equipment replacement program, including various presses to be especially designed and manufactured for the work of the Bureau. We have allowed a total appropriation of \$6,000,000 for mints and assay offices as against total obligations of \$5,642,900 in the fiscal year 1946. For the Bureau of Engraving and Printing we allowed \$11,755,500 as against total obligations of \$11,684,700 in 1946. We believe that these sums will give administrative leeway to purchase needed equipment as rapidly as deliveries can be accomplished.

A SURGICAL OPERATION

In drafting the bill that is before you your subcommittee performed a surgical operation that makes appropriation history. From time immemorial our annual Treasury supply bill has carried an appropriation for salaries of the Office of Comptroller of the Currency. This year we have eliminated this appropriation entirely and hereafter the salaries of the Comptroller's force will be paid out of the fund derived by assessments on the national banks. It is from this assessment fund, now totaling in excess of \$4,000,000 that the salaries of bank examiners are paid and since the services of the Comptroller's office, like the services of the examining force, are beneficial to the banks it seem logical that the banks should pay the entire bill. The excision of this appropriation from our bill transfer 105 persons from the Federal pay roll and saves the Government \$281,000 a year. The subcommittee before taking this step made careful inquiry as to its effect on the retirement and other benefits of the transferred personnel and was informed that no disadvantage to any employee will result. The amount in the assessment fund is ample to cover the slight additional cost without raising the assessment. The departmental officials indicated to the subcommittee that the Department has no objection to this plan and that it is in accord with law.

SILVER FOR THE ARTS

In our hearings we had a good deal of testimony in regard to silver. The Secretary of the Treasury is under a statutory mandate to buy silver until the price reaches \$1.29 an ounce or until the supply of silver, reaches one-fourth of the total monetary stock in the country. As neither goal is in sight and perhaps never will be reached the Secretary of the Treasury goes on buying silver. The monetary silver stock of the United States on September 30 last was about 2,500,000,000 ounces held largely in the depositories at West Point and San Francisco, and some in New York City.

The Treasury Department now has on hand 243,000,000 ounces of free silver, which it does not require for any Treasury operation. Knowing how great is the need of silver for manufacturing purposes many persons believe that the Treasury's free silver, lying idle in the vaults, should be made available for use in the arts and industries but that, of

course, is a matter for congressional consideration. Our bill carries a provision, inserted in the full committee, under which this accumulated silver would be sold for manufacturing purposes at 71.11 cents an ounce.

In conclusion permit me to say that the bill we bring to you has been prepared with the most meticulous care and with the most painstaking attention to each and every item involved. We would not add \$1 to it and we believe that further reductions would be harmful to the public interest. We hope that it will merit your approval.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. What is the total appropriation?

Mr. LUDLOW. It is, roughly, \$1,604,000,000, I believe.

Mr. SMITH of Ohio. What is the total amount, including the permanent appropriations?

Mr. LUDLOW. Of course, those are appropriations that we never touch. The total appropriation carried in this bill amounts to \$1,604,556,940. That is the regular operating appropriation for the Treasury Department. There are quite a large number of permanent appropriations that go right on without any legislative action.

Mr. SMITH of Ohio. That is the figure I would like to have, including the permanent appropriations.

Mr. TABER. If the gentleman will yield, it is a little over \$11,000,000,000, including everything.

Mr. LUDLOW. I may say to the gentleman from Ohio that the interest on the public debt alone is estimated to be \$5,000,000,000 in the next fiscal year.

Mr. SMITH of Ohio. That is included in the figure?

Mr. LUDLOW. That is included in the \$11,000,000,000 over-all figure.

Mr. O'NEAL. Including the trust funds of \$2,800,000,000, it would be \$11,600,000,000, but without the trust fund it would be \$8,884,000,000. In that amount are permanent appropriations for such things as the interest on the public debt and matters of that sort, bringing the total permanent appropriations to \$5,594,000,000, but the actual operating amounts are those given by the gentleman from Indiana.

Mr. SMITH of Ohio. What is the exact figure for the interest on the public debt?

Mr. LUDLOW. Five billion dollars even; \$4,750,000,000 for the present fiscal year, and the next fiscal year it will be \$5,000,000,000. I now yield the floor and I thank the House for its patience.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I can see nothing but confusion and very few houses getting built for veterans if the Wyatt scheme is carried through. I must say it was one of the greatest surprises and shocks I have ever experienced to learn that the House Banking and Currency Committee would agree to such an ill-advised and unnecessarily costly scheme as the Wyatt plan to subsidize

this proposed building program to the tune of \$850,000,000 out of an already bankrupt Treasury. Surely the gentleman from Texas [Mr. PATMAN] and his followers on that committee should know that the primary factor in getting these houses built is to make it possible for the producers of lumber to get a price for that lumber that will justify paying a good wage to his employees, pay all running expenses, and make a fair profit. If that is done, all the mills will start to hum pronto. Then, within a few months supply will meet demand and then our traditional competitive system will keep prices down where they belong; but no, that is not the New Deal way.

When, oh when, I ask, are we going to stop these unnecessary raids on the Federal Treasury? Every dime of which must be paid back after being earned by the sweat of some workingman's brow.

Mr. Wyatt talks about using surplus war plants in which to build prefabricated houses. I wonder how the bricklayers, carpenters, painters, and other workmen in the trade, many of them veterans, in other sections of the country will feel about that, to say nothing about the building-material dealers, too? The facts are that all these needed houses can be built quicker and better by local labor in every community and for far less money if only they could get the material needed. And they could soon get that material by simply adjusting the OPA ceiling prices on certain lumber and building material, as I have stated before; actually it is that simple. And then Mr. Wyatt talks about a one-bedroom prefabricated house to cost around \$3,500. My own knowledge and experience in the manufacture of prefabricated houses with the information I have right now from reliable sources and my 24 years of experience in the retail lumber and home-building business makes it my plain duty to speak out now and say that no one, regardless of where he lives, should pay over \$2,000 for a good prefabricated house built of regular materials up to a size of 20 by 22 feet, or 18 by 24 feet, with one bedroom, living room, dining nook, small kitchen, and shower bathroom, exclusive of utilities and foundation material.

Our veterans will surely be taken for a ride if the Wyatt scheme goes through. A few builders of homes would make millions upon millions at the expense of the veterans, who would get it in the neck twice; first, by a needlessly high price for a house, and, secondly, by paying his share of the tax to pay the \$850,000,000 subsidy proposed by Wyatt in his bureaucratic plan. This must not happen.

I do not propose to sit idly by and see it happen to the American veterans. Yes, they must have homes, but they demand and have a right to expect their representatives in Congress to see to it that they are not fooled or cheated. So, for heaven's sake let us use our own heads.

If there is the slightest question in anybody's mind as to who is holding down production of lumber and other materials needed to build homes for returning veterans and other Americans, all they need to do is to read the facts as set out so clearly in the following edi-

torials and releases by men who know the lumber business and the building business from A to Z.

President Truman, the OPA, and Housing Director Wyatt can plan and scheme and talk until they are blue in the face, while everyone who knows something about the lumber business and the building industry listen with utter disgust, knowing full well there is but one solution to the problem, and that is an adjustment in the ceiling prices on certain lumber items set by OPA Director Bowles and O. K'd by President Truman.

Of course, a better solution would be a complete hands-off by the bungling OPA czars whose primary purpose it seems is to force private operators out of business, then declare another emergency exists as an excuse for the Government to take over the mills and lumber yards, or pay a huge subsidy out of an already bankrupt Treasury, which is the New Deal's stock in trade whenever their bungling in business reaches the climax, as it now has in the lumber industry, as well as in most every line of business where they have interfered with their silly regulations. The OPA must be stopped before the OPA stops America.

If I were in business today I would keep a good vermin exterminator handy for self protection against unlawful search and seizure by any scoundrel. Every law-abiding American citizen has that right under our Constitution. I certainly would make at least one OPA wise-guy cite me the law which gave him the right to nose around in my business. I said the law, not some rule or regulation or edict which possibly he himself had concocted. Then, if I felt myself guilty under the law, I would pay my fine, but if not, I would fight them if it took the last cow in the barn; for surely, the time has come to fight tooth and tongue for principle, or lose our birthright. What I have just said may sound out of order, but I have lost all patience with this OPA outfit and a lot of other un-American rot emanating from and condoned by the party in power to enslave the American people by the same methods so successfully used to destroy free, private enterprise and to bankrupt many of the other nations on this globe during the past decade. Certainly that is not what our fighting men fought, bled, and died for all over the world in this last year, or any other war.

The House Banking and Currency Committee are holding hearings right at this time to determine what to do with OPA. Let us hope and pray that that committee will either bring in a bill speaking out in clear, concise, understandable language just what the duties of the OPA shall be, or else a recommendation for an immediate liquidation of the whole outfit.

Now, why do I say that? Simply because the present operations of the OPA are accomplishing the exact opposite of what it was intended to do, to say nothing about the abuses suffered by millions of law-abiding citizens in their struggle to stay in business. Thousands have already thrown in the sponge, and many more thousands are about ready to give up the fight, close out, shut down, or sell out to some big competitor who has an

"in" with the party in power and can get by with most anything and everything because they have the kind of salve it takes. How, I ask, can prices be kept down when competition and production is kept down to a minimum; and, mark you, that is exactly what OPA is doing today as every fair-minded person must know, and as the following editorials and news releases prove conclusively.

Mr. Wyatt proposes to build 2,700,000 so-called low-cost homes during 1946 and 1947. How in heaven's name, I ask, does he expect anybody to take him seriously in the light of the conditions the OPA has brought about and seem determined to carry through in the lumber industry, to hold down production. These homes, they say, will be low-cost homes, costing \$6,000 or less. But to 75 percent of the American people a \$6,000 home is a high-cost home. So, even if lumber is made available by some hook or crook, a \$6,000 or even a \$5,000 home is more money than 75 percent of the veterans can afford to spend, or will want to go in debt for; or at least should go in debt for, regardless of whose money is used, unless they are settled at sure, permanent employment at a wage or salary that will justify the monthly payments. I speak from experience, for I was one of those many veterans of the World War I who built a better home than my income warranted, and believe me, it was mighty tough going to hold that home for many long years. So, my advice to all prospective home builders with limited means, is, build a home to fit your income, add to it as you can afford, but above all, own your own home, be it ever so humble. First, because you owe it to your family and yourself, and, second, because your America will always live if America has a majority of its people living in their own homes. Property and home owners are capitalists, you know. You will find very few Communists living in homes of their own in the United States of America, and not one person has a home of his own choosing in Russia, remember that. But again, I warn you, build to fit your pocketbook, do not take chances. Even Uncle Sam is a ruthless collector at times, and it must be awful to lose the place you love to call Home Sweet Home. Deal with your home town building-material dealers, carpenters, and contractors. They will give you sound advice and 100 cents worth of house for every dollar you should spend, which is to their advantage as well as yours.

Mr. Chairman, I have introduced a bill to stop all exportation of lumber until our needs are supplied.

Now read what others have to say about this most important matter. After you read I am sure you will agree with what I have just said.

[From the Red Oak (Iowa) Express of February 4, 1946]

SOMETHING SHOULD BE DONE

Not long ago Representative BEN JENSEN was in this town calling on friends. A lumberman, himself, he was naturally interested in the problems of that important business. He told friends of the unhappy feelings of servicemen who came home to find that they could not buy lumber to build a house. Yet, these same servicemen may have passed

on the high seas ships loaded with lumber going abroad.

In this issue we publish an editorial which is reprinted from the American Lumberman. It shows that lumber manufacturers are allowed to get a higher price for export than permitted by our good friends in the OPA at Washington when the same lumber is sold for home consumption.

Oh, yes; the OPA is protecting us on prices, but darned little lumber can we buy. It is obvious that manufacturers cannot continue to sell it at a loss, nor will they do so when any profitable sale presents itself. Lumber companies, cannot print money or charge up losses to taxes. This the Government does not seem to understand.

We can never straighten out our shortage problems as long as the OPA, with its tangle of red tape, proceeds to cause months or a year of delay in finding out things that other people already know.

Farmers, businessmen, prospective home owners in this community know that they cannot get material with which to build. They also probably know that if we continue shipping our lumber abroad they will never get it. It resolves into the question of who's country is this?—ours, the people's—or the OPA's? Apparently, the only answer is to put sufficient pressure on your representatives and to write to the OPA in the hopes of getting a stick of lumber when you need it. We recommend that every interested person read the editorial from the American Lumberman.

IMMEDIATE REVISION OF OPA'S PRICE SCHEDULES IMPERATIVE TO GET HOME BUILDING LUMBER IN VOLUMES

Five months have elapsed since VJ-day, but the late moves in Washington, supposedly aimed at improving the Nation's critical building material supply situation are not practical, and will not alleviate the housing shortage. Until an all-out program to stimulate production of building materials is launched, home building will be stymied. A review of OPA ceiling price schedules on lumber reveal the reasons why mills are not producing the items needed for home construction.

The Nation's lumber industry is capable of producing more lumber than can be consumed in the greatest building boom ever experienced. Lumber production has always been governed by the volume of construction—home building has never, until now, been dependent on the amount of lumber available. But under a price structure designed to encourage production for war, lumber items needed for home building are not being produced in volume, and many operations in some regions are entirely out of production because of inability to show a profit.

In the southern producing area, OPA's refusal to recognize that private business is different from Government—in that it must operate within its income, has thrown more than 25 percent of that production out of operation and the decline is continuing. F. o. b. mill ceiling prices on southern pine have increased 24 percent since MPR No. 19 was issued in 1941. That looks good until it is learned direct labor costs have risen 93.3 percent in the same period and the cost of operating materials and supplies have increased 107.5 percent along with a 33-percent increase in living costs. Normally about 65 percent of southern pine lumber goes into building construction.

West coast producers have not been forced to discontinue operation as generally as those in the South, but they have not been able to cut many home building lumber items at a profit because of OPA ceiling maladjustments. For example, rough green vertical grain B and better clear fir 4" x 12"—12' can be sold for \$75 per thousand board feet. When the same item, put through many expensive additional operations, comes out as 1" x 4"—

12' B and better flat grain flooring, the OPA ceiling price is only \$45—the same price that prevailed in 1942. Or, if the firm deals in export trade, the 4 x 12's mentioned can be sold for export at \$87 per thousand instead of being cut into \$45 flooring—the result, a substantial footage of our lumber is being exported. Even when flat grain cants are cut into 1" x 4"—12' vertical grain B and better fir flooring, it sells at the 1942 price of \$60. Fir 6" x 12"—12' rough green B and better vertical grain sell for \$74 per thousand, but when run into 1" x 6"—12' B and better flat grain flooring or drop siding, the price is only \$50 per thousand—the 1942 price. Framing lumber as compared to plank and timbers must be repriced if mill operators are to be interested in cutting logs to dimension rather than the easily cut less-wanted items. Instead of lumber manufacturers being able to adjust their cutting schedules to satisfy the market, they are forced, under OPA ceilings, to produce items which are not suitable for home construction.

Unless OPA price schedules are revised lumber production will remain down and what production there is will not develop items needed for home building in any quantity. Furthermore, because OPA price schedules on lumber should have been revised last September it is imperative they be changed immediately—and not after the conventional 6 to 9 months of study and research.

[Telegram]

NEW ORLEANS, LA., January 30, 1946.

HON. JOHN W. SNYDER,

Director, Office of War Mobilization and Reconversion, East Wing, The White House, Washington, D. C.:

On September 10, 1945, we advised you fully of the distressing conditions existing in the southern-pine industry and warned you that the responsibility for any shortage in southern pine lies directly upon Government agencies having control of the industry through their actions or through their lack of action. Since that time, on November 29, OPA authorized an increase which was wholly inadequate and too late to meet the situation. At a meeting of southern-pine lumbermen widely representing the industry here today, Judge Collet's directive No. 94 came as a shocking surprise to those present. It was the unanimous opinion of these lumbermen that the directive is utterly unsound, wholly impractical, and will be ineffective. It will not increase production. To the contrary, in the opinion of those present, it will reduce production and certainly, under the conditions set forth in this directive, there will not be any price increase for this distressed industry. The suggested basic goal of 9,000,000 feet for 1946 is absolutely impossible of attainment under directive 94, and it will add materially to the chaotic conditions already obtaining in this industry. In fact, we believe this directive will have the effect of destroying any hope for an increase in price to southern-pine producers. Since you are responsible for the reconversion program, we feel that you should have this warning that directive 94 will be disastrous. It gives no relief and will further tend to discourage the present inadequate production of lumber which threatens to become the major bottleneck in the housing and reconversion programs. We strongly urge its immediate withdrawal.

SOUTHERN PINE WAR COMMITTEE,
C. C. SHEPPARD, Chairman,
H. C. BERCKES, Secretary.

(The above telegram has also been sent to the following with the explanation that the original was addressed to Hon. John W. Snyder: Judge J. C. Collet, Stabilization Administrator, Office of War Mobilization and Reconversion, Washington, D. C.; Mr. Chester Bowles, Administrator, Office of Price Administration, Washington, D. C.; Mr. Wilson

Wyatt, Housing Expediter, room 323, Washington Bldg., Washington, D. C.; Mr. M. W. Niewenhaus, Director, Forest Products Division, Civilian Production Administration, Washington, D. C.; Mr. J. D. Small, Administrator, Civilian Production Administration, Washington, D. C.)

[From Lumber Buyers Weekly Market Letter of January 25, 1946]

MILLS MUST SUPPLY CONSTRUCTION LUMBER

On February 1 the manufacturers of softwood lumber must set aside 40 percent of their output to be applied on HH priority ratings. This 40 percent must be made up of "housing construction lumber," such as flooring, ceiling, siding, partition, casing, base, molding strips, boards, 2-inch dimension, finish, shop lumber, and lath.

Each sawmill must reserve 40 percent of its total production for February and each month thereafter, to be applied on HH orders. In case the lumber reserved is not sold by the twentieth of the month in which production is reserved, the stock may be sold on orders other than those carrying an HH priority.

The above sounds very nice, and if 40 percent of the fir and pine mills' production is diverted to the purpose intended, we will see a lot of lumber moving through dealers' yards, but it may not work out exactly as planned. Already some lumber manufacturers claim they cannot and will not obey the "edict" unless the ceiling prices on construction material are raised. The whole order will be shot full of holes unless the OPA revises the price ceiling so that the lumber manufacturers can make construction material without a heavy loss. If the CPA tries to enforce this ruling without the cooperation of the lumber industry, we can visualize all kinds of evasions and an active black market.

RETAILERS TO FEEL OPA SQUEEZE

The OPA has just issued amendment 15 to Second Revised MPR 215, which has the effect of freezing retail prices on northern hemlock and other softwood from Minnesota, Wisconsin, and Michigan, and western red cedar shingles, on the basis of the prices in effect on December 1, 1945. This means, in the case of western red cedar shingles, the retail dealer must absorb the 20 cents a square advance allowed the shingle manufacturers, effective December 17, 1945.

This ruling is in line with Chester Bowles' idea of holding the line against inflation. Labor may get higher wages, but the extra cost of manufacturing or distribution must be absorbed by the manufacturers or distributors. This is one way to control profits and do away with competition. The next step, no doubt, will be to freeze lumber prices, and then allow labor and increasing manufacturing and distributing costs to squeeze the manufacturers and distributors still further.

In theory, the plan to control prices and, incidentally, profits, appears workable to men who have learned economy out of a book, but in practice it fails to work. If the manufacturing profit on an item is not satisfactory, the manufacturer simply will not make that item, and if the retailer is not allowed a fair profit, he will not stock the item. If you do not believe this is a fact, try to buy a shirt or a pair of shorts.

In our business, we have a good example of how a price squeeze can affect the supply of any commodity. The prices on flooring, drop siding, boards, and 2-inch dimension are out of line, so the lumber manufacturers simply do not make these items, but, instead, they make plank, timbers, and rough green clears. In this instance, Mr. Bowles is holding the line, but the supply of necessary items to build homes is about nil.

FIR DIMENSION

Practically all the fir manufacturers out here are taking advantage of the footnote in RMPR 26 applying to 2-inch dimension, which reads as follows: "Odd or fractional widths, add \$1 to and compute footage on next wider even width except 2 by 3." In order to comply with this footnote, a manufacturer can cut 2 by 4 1/4-inch dimension, surface to 1 3/4 by 3 3/4 inches and charge for 2 by 6 inches, using a price \$1 over the ceiling price on 2 by 6 inches. The same rule applies to other widths; that is, stock can be sawn to 2 by 10 1/4 inches and surfaced to 1 3/4 by 9 3/4 inches, and the purchaser must pay not only for 2 by 12 inches but \$1 over 2 by 12 inches ceiling price. The fir mills are working this to the limit. Buyers are willing to pay the extra in order to get stock. Everyone knows it is only a question of time until OPA stops the practice, but it is a good graft as long as it lasts.

WHY IT IS SO HARD TO BUY LUMBER

We know some of our clients cannot understand why we cannot place mixed-car orders and orders calling for flooring, drop siding, boards and 2-inch dimension, but when one knows all the circumstances, it is easy to understand why yard items are practically impossible to buy.

The lumber manufacturer is only human, and he is going to cut the stock that nets the most money, and that means rough plank, timbers, and green clears. This deplorable condition has been brought about by the stupidity of the OPA, and we do not blame the lumber manufacturers too much. We probably would do the same if we were in their place, but it is going to take lumber other than plank, timbers, and green clears if we are to build a million homes this year.

On account of price ceilings being made by edict rather than by the law of supply and demand, it is only natural for the lumber manufacturers to take advantage of every loophole to get more money for their stock, just as we all do when figuring our income tax. If we had a natural market, based on supply and demand, there would be no reason for manufacturers to resort to the subterfuges they are now using, as each item manufactured would be priced on the basis of supply and demand.

Our clients, of course, would like to buy kiln dried 2-inch dimension, but no manufacturer is going to make 2 by 4—R/L No. 1 Common K. D. S4S at \$34.50 f. o. b. mill when he can sell 4 by 12—R/L No. 1 Common Rough Green at \$27.50. The OPA will allow reworking plants to rework these 4 by 12's into kiln-dried 2 by 4's, and for doing this the reworking plants can charge \$18 or \$20 per thousand feet, but the legitimate manufacturer can charge only \$7 difference between kiln dried 2 by 4's and the rough green 4 by 12's. No wonder legitimate lumber manufacturers are not making kiln dried dimension. The same discrepancy applies to 1 by 4—R/L B and better F. G. Flooring. The ceiling price on flooring is \$45 mill basis, but 4 by 6—R/L B and better rough green clear is priced at \$57. No manufacturer, in his right mind, is going to cut 4 by 6 rough green clear into flooring and sell it for \$12 less than he can get for 4 by 6's.

We are told there are to be new fir ceiling prices that are more in line with needs and conditions, but we are afraid we will be given another patch-work job that will cure nothing. What we need is a major operation.

HOW OPA WORKS

The ceiling price of fir railroad ties is \$28.50 per thousand feet f. o. b. mill. If for export, the mills can charge \$32 per thousand feet. This is an example of why the mills like foreign business. Another laugh—a tie measuring 6 by 8—8 feet is supposed to weigh 3,500 pounds per thousand feet, but a tie

6 by 8—9 feet is figured at 3,300 pounds. No one knows why.

The Canadian Government does not try to regulate prices on export shipments. The fir mills in British Columbia have just sold 32,000,000 feet of ties to China on the basis of \$36 to \$47.50 per thousand feet. If our mills could have furnished them the price could not have been over \$32.

SALES, PRODUCTION, AND SHIPMENTS

The confidential report of the West Coast Lumbermen's Association for the week ending January 19, which was mailed to the association's member mills today, will show the following:

[In millions]					
Week ending.....	Dec. 22	Dec. 29	Jan. 5	Jan. 12	Jan. 19
Production.....	76	36	44	78	78
Sales.....	69	55	60	76	85
Shipments.....	71	47	46	78	84
Unfilled orders.....	599	612	618	604	595
Mill inventories.....	307	298	294	292	284

Sales were divided as follows:

[In millions]					
Week ending.....	Dec. 22	Dec. 29	Jan. 5	Jan. 12	Jan. 19
Rail shipment.....	52	39	40	54	58
Domestic cargo.....	5	7	7	8	9
Export.....	5	2	6	6	9
Local sales.....	7	6	7	8	8

Unfilled orders:

[In millions]					
Week ending.....	Dec. 22	Dec. 29	Jan. 5	Jan. 12	Jan. 19
Rail shipment.....	495	501	495	483	476
Domestic cargo.....	35	37	43	40	40
Export.....	69	74	81	81	79

The Western Pine Association's report for the week ending Jan. 12 showed the following:

[In millions]					
Week ending.....	Dec. 15	Dec. 22	Dec. 29	Jan. 5	Jan. 12
Production.....	26	18	12	16	24
Sales.....	23	20	10	21	45
Shipments.....	28	19	12	22	33
Unfilled orders.....	242	208	202	196	246

[From Crow's Pacific Coast Lumber Digest of December 15, 1945]

INDUSTRY IS QUITTING THE UNEQUAL BATTLE (By C. C. Crow)

This week Mr. Frank Ransom, President of the Eastern & Western Lumber Co., of Portland, announced that within the next few days they will close for all time. This is one of the top sawmills of the Northwest that has been in operation for 45 years and at its peak produced over a long period an average of 110,000,000 feet of lumber annually.

Only a comparatively short time ago numerous other well-known sawmill concerns took the same steps as the Eastern & Western Lumber Co. To name a few, there have been the Clark & Wilson Lumber Co. with its three big plants on the Columbia River, Pacific National Lumber Co., Tacoma, Wash.; Silver Falls Timber Co., Silverton, Oreg.; Westport Lumber Co., Westport, Oreg.; and the big Bellingham division of Bloedel-Donovan Lumber Co.

Keep in mind that, with possibly one exception, all of these mills have or had standing timber of their own when they

closed. Keep in mind that all of these concerns were in a good financial position and enjoyed the prestige of long-established connections with the very best trade both domestic and foreign who had come to know that they were capably managed and well equipped and their product of dependable, high-class uniformity.

Why have these mills quit? No one who knows the conditions under which they have been operating can criticize them.

Some would have you believe they closed because of the inability to get timber. That has been a small factor only. In former years all of these concerns brought timber from greater distances than they did in the last days of their sawing. During the peak of Columbia River production, logs were being towed at snail's pace up the river against the current from the very mouth of this stream 100 miles from Portland. Plenty of timber is available today in the opposite direction from Portland up the Willamette Valley at shorter distances and it all moves down grade to the mills. True, it is not on the average as good Douglas fir as was harvested on the lower Columbia River, but it does make excellent lumber even though carrying a smaller percentage of clears.

While the managers of these liquidated mills have never openly made such an admission, it has not been the inability to get logs that has been the major reason for their quitting. They have tired of fighting Government bureaus. They have tired of constantly struggling for elbow room from the never-ending stream of red tape turned out and wrapped around them by Government crackpots. They have tired of spending half of each day arguing with Government-backed, red labor racketeers. They have tired of waiting for months for the OPA to make decisions that should not take them more than a few days, as that bureau falls utterly to make urgently needed and clearly deserved adjustments to regulations and prices to meet the changing conditions while production costs mount. They have tired of having the worst radical element in their organizations preach and teach contempt for the employer. They have tired of having these same reds first encouraging and later demanding of loyal employees that they hold to a minimum the personal effort which they expend as they did during the war when lumber was so indispensable, and the output per man per hour dropped to a ruinously low level. They have tired of labor demands for more and more concessions while their efficiency continues to drop. They have tired of having Government-employed labor trouble-makers constantly circulating amongst their employees, figuring out ways to make satisfied men dissatisfied. They have tired of the constant threat of unauthorized "quickie" strikes and the progressive infringements upon the authority to direct their own businesses, a result of the insolent and overbearing Government-schooled policy of organized labor.

The facts are, these excellent, well-equipped mills capable of employing thousands of men and turning out millions of feet of lumber each day, which is urgently needed, have sickened of studied dictation imposed upon them by a Government administered by a spineless Congress of self-seeking politicians led by an accidental President, a weakling, the impotent spawn of ward-heeling, gangster politics who is satisfied to do the only thing he is capable of doing and that is to drift along with the New Deal flotsam on which he was born politically.

The liquidation of sawmills has only started. The OPA and numerous other bureaus, with their dilatory tactics and impractical hamstringing of all industry, are making it necessary for a businessman to become a crook if he stays in business and remains solvent. More good mills have been

sold for a song during the past year than in any 10 years previously. This has also been liquidation. Sawmill operators, who have put in a lifetime building up such organizations as those already mentioned, have with full justification come to realize that it is futile and certainly not worth while to continue in the one-sided battle against merged subversion of entrenched Federal parlor pinks and the soap-box radicals they are forced to employ.

What is true of the lumber industry in the Northwest is true of other industries in all sections of the United States. Any man who with hard work and close application has built up a business is not going to continue it, lose what he has, and shorten his own life by trying to do the impossible just to keep grasping politicians in office to test out the theories of a lot of academic nit-wits who could not run a peanut stand and come out whole even if furnished free of charge the necessary equipment and materials.

It will take someone bigger than a group of demagogues headed by a necktie salesman to keep this country from losing its indispensable industry leadership, without which it is destined to sacrifice the democracy and free enterprise with which we at one time became the greatest Nation in the world and the hope and ambition of oppressed people the world over.

[From Improvement Bulletin of January 3, 1946]

IN PERSPECTIVE

(By G. L. Anderson)

We enter this, the first new year of peace, with altogether too many difficulties in the way of a prompt and prosperous return to the normal business of the nation.

It becomes more and more evident that the pains of transition from war to peace do not spring from the defects of capitalism nor the errors of labor but from the exploits of government.

We are reaping, whether we like or not, the harvest of too much governmental control and regimentation of both employer and employee, of too much interference in those functions which are not properly the province of the government, and of too many ignorant, inefficient and even vicious bureaus and bureaucrats which have become the tares in the wheat of our national industrial economy.

As a consequence even the great construction program which was to be depended on for much of the immediate employment of our returning veterans and displaced war-industry workers, is being slowed to a halting state and may even come to a complete standstill.

At this moment, capital and industry are ready and willing to go forward in the greatest era of productivity this Nation has ever known, bulwarked by a consumer demand which would assure full employment and round-the-clock operation for every major and minor industry in the country. Unemployment, for everyone willing to work, would cease to exist for the next 5 years at least, if it were not for the unfortunate struggle between labor and industry which, basically, stems from government interference and restrictions.

Industry wants to go ahead and labor wants to be employed and between them, by intelligent consideration of mutual problems, there lies a solution for all difficulties but from within and without, both are plagued by too many committees and agencies who, in the guise of settling, only succeed in widening the breach between the two factions.

The latest suggestion that Government delve into the private records of corporations with fact-finding committees to determine whether or not higher wages can be paid out of capital is probably the most arrogant assumption of any governmental power ad-

vanced thus far in a long series of preliminary regimentations. It is a direct reversal of the old economic rule that the selling price is the determining factor in the price of the component parts of any article or service.

Where the serious damage is done, however, is in the relationship between industry and labor. Erroneous premises are set up and equally erroneous conclusions result, which widen the breach between the two factions and lessen the possibility of reasonable conclusions.

Dividends to stockholders are the wages of capital. Investors have as much right to these wages as do the workers for their money provides the opportunity for employment. Capital is the safeguard of industry. Industry does not have the limitless assets of Government on which to draw. When industry needs huge sums of money it comes either from capital or from investors and where there is little of the former, and no reasonable assurance of dividends to the latter * * * no financing is possible.

All of these things are known to reasonable, intelligent men, but for some reason, for the sake of political opportunities, they are ignored by Government or bypassed through some wild-eyed theory which is born in the minds of men who wish to control everything.

No government-controlled economy has ever paid workers anything but a bare subsistence. We have had opportunity to see that in the past 5 years. No nation, under any kind of political system, has ever approached the level of living conditions which has been reached in our Nation under private industry and profit system.

Nor is there any better system yet devised which promises so much to the individual who works to produce and may none of us ever forget it.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, the State Department is planning to establish a new information and cultural relations program all over the world. It will soon ask Congress to approve H. R. 4982, entitled "The interchange of persons, knowledge, and skills between the people of the United States and the peoples of other countries," so that it may undertake a radical departure and expansion from its existing programs and functions.

Originally, at the request of the State Department, a bill, H. R. 4368, was introduced before the Foreign Affairs Committee to authorize such a program. This original bill, in my opinion, was a legislative monstrosity. It proposed to establish programs for the interchange of persons, knowledge, and skills without in any manner defining what those programs were to be, without placing a limit on the amount to be authorized, or placing a time limit as to the period of the authorization. The language was so broad in its terms that it was almost impossible of definition.

What program could not be undertaken under the pretext of interchange of knowledge and skills? Almost any program within one's imagination could come under such broad terms.

So, during the hearings before the Foreign Affairs Committee it soon became apparent there was a need for a more specific bill, and H. R. 4368 was abandoned and the bill H. R. 4982 has now been substituted in its place.

The State Department was so anxious to have this bill pass the Congress before the last session expired it was pushed through our committee, in my opinion, without adequate hearings. That this was the case became apparent when the Rules Committee refused to grant a rule on this measure even though there appeared before it bipartisan proponents of the bill.

It is also apparent there is dissatisfaction with this measure from sources outside of Congress, because after the Foreign Affairs Committee had approved it both the AP and UP news syndicates publicly notified the State Department of their refusal to cooperate in such a program. If the reports in the press are correct, opposition was also encountered from the School of Journalism in New York City.

Before Congress acts upon this bill I believe there should be further hearings upon it by the Foreign Affairs Committee so these interested parties can be heard. If such an opportunity is not afforded, I believe the proper action for this House would be, when this bill is presented, to recommit it to the committee for further consideration.

Certainly serious consideration should be given to amending this bill in several particulars.

First. There should be a ceiling established as to the amount to be authorized. This has been the usual practice in most authorization bills. A recent example is the UNRRA bill which established a ceiling beyond which appropriations could not be authorized. I believe this is sound legislative practice.

The appropriations for the State Department 7 or 8 years ago, in peacetime, only amounted to around \$25,000,000. While their appropriations have increased materially during the war period, and I realize they have a greater responsibility now, I do feel we should put some limit on this program because it is apparent, from reading the hearings on this measure, it is intended to spend annually on such a program more than the entire cost of the State Department was some 7 or 8 years ago.

It is my understanding under this program for the first year, when it is just getting started, we will be asked to appropriate \$29,000,000. We all know when these bureaus once are established they never, in succeeding years, ask for less but keep growing like Topsy.

Second. While there has been an attempt to classify the different programs under the revised bill, let us examine some of the language it still contains:

Under section 3 (b) the Secretary of State is authorized to make grants of money, services, or property to governmental institutions, public or private nonprofit organizations, and individuals, both in the United States and in other countries for technical projects undertaken and jointly financed by the United States and another government, or by the United States and a private nonprofit organization, for the common benefit of the United States and another country.

What is meant by technical projects? I am unable to state. I hope we are not to judge the future by the past. Under a program undertaken by the Coordina-

tor of Inter-American Affairs such programs as providing a technical basis for planning was undertaken in Paraguay at a cost of \$105,500; a program to improve agricultural technique in Peru costing \$101,701; to introduce ideas and techniques designed to effect an increase in production of food products in Venezuela, costing \$40,000; public baths and lodgings in Chile at a cost of \$185,000; water supply system in Honduras at a cost of \$51,282; sewerage system in Ecuador at a cost of \$36,496; and a road project in Honduras of \$1,222,000.

All of these projects and literally hundreds like them have been carried on in Central and South America under the guise of improving cultural relations with these countries, mostly at our expense. I believe we should clearly define the language of this bill so that such projects will not be permitted under this new program.

Third. Let us take another classification. Section 3 (f) provides that we give assistance to American-founded, American-affiliated, and American-sponsored schools, libraries, and community centers abroad. Does this mean we are going to subsidize every privately endowed American school established all over the world and have these institutions clamoring and competing for our taxpayers' hard-earned dollars? Why not define by conditions in the bill how and when this aid is to be granted?

Fourth. The bill also provides for interchange of students, professors, and outstanding persons. Is there any reason why the United States should bear the entire burden of such an interchange? If not, why do we not specify in this bill that the countries with whom we are making such exchanges should pay a proportionate share of such expenses?

Fifth. Do you believe it is good legislative practice for us to authorize, as is done in section 5 (d), and pay the expenses of, attendance at meetings or conventions of societies and associations concerned with furthering the purposes of this act; or section 5 (b) to furnish for citizens and subjects of other countries such entertainment as the Secretary determines to be advisable for the achievement of the purposes of this act, both in the United States and in other countries, when there is no limit of any character as to what might be classed as entertainment, or the nature of meetings or conventions to be held? Why should not this be on a cooperative basis rather than at our expense?

Sixth. Furthermore, there are waivers in a great many instances in this bill of existing statutes with reference to travel allowances, civil-service classifications, and so forth. I do not believe there is a single member of the committee who could explain on the floor of the House intelligently the provisions which are waived and their legal effect. Is it not a dangerous practice to wipe out with one fell swoop existing legislation which has been on the statute books for years to protect against abuses?

But the main purpose of this act is to set up an information service for radio, news, and motion pictures, to be disseminated all over the world. The Congress attempted to do away with the OWI in

peacetime, but under this bill not only the remnants will be saved but there will be again authorized a full-grown peacetime propaganda and information service.

Under this act it will be proposed to have in this portion alone, by July 1, approximately 2,600 people employed, classified as follows:

Short-wave broadcasting.....	850
Staff in the Department of State handling both information and cultural-relations work.....	700
Staff in the American Embassies and consulates abroad (400 officers, 120 clerks).....	520
Information staff attached to the United States Army in Germany, Austria, and Japan.....	500
Total.....	2,570

Now, this service will either be a propaganda service, a factual service, or a combination of the two. Undoubtedly it will be the function of this Department of Information to see that the peoples of other countries understand United States foreign policy, and so far as possible sympathize with it. This will be a difficult task indeed. Before you can make other peoples understand our foreign policy we must avoid a weathervane policy. Before you can ask someone to stand behind and support a program you must stand still long enough for him to be able to do so.

Nevertheless, to obtain the proper sympathy for our foreign policy the State Department will necessarily engage in a program of propaganda. Anyone who is familiar with psychological warfare and the techniques used therein, knows they are neither necessarily true or necessarily false. The object is to mobilize a person's emotions in such a way they will dominate his reason. I do not mean by this that by doing so there would be any evil design, but do you believe for one moment if the State Department has a positive policy on some important issue affecting the foreign field, and there was controversy over this issue in Congress, that as much information would be sent abroad in opposition to this policy as would be sent in favor of it? It seems obvious this would not be the case but that the information disseminated would necessarily be weighted in favor of the State Department's own policy. This is the reason we must not have the Government enter into competition with private news agencies who are so careful to maintain standards of complete objectivity in the handling of news.

But if it should be the case, instead of propaganda being sent out as information from this country that only factual information is used, are we not invading the legitimate field of the regularly established news agencies by setting up such an information service? Certainly we should not sponsor any agency which would enter into direct competition in this field.

What is there in this bill which limits such service so there would be assurance it would be facilitative and supplemental to the normal currents of private interchange through the medium of the press, radio, camera, and screen?

While I believe there are certain legitimate programs in the international field in which this country should engage so it could properly carry out its responsibilities in the postwar years, yet I am convinced that in authorizing such programs there should be very definite limitations and conditions which would prevent our Government from competing with privately established institutions, industries, and other enterprises.

Mr. Chairman, let us look before we leap. Let us not establish a world-wide WPA with Uncle Sam playing the role of Santa Claus.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill altogether carries enormous sums of money because it carries as permanent appropriations an estimated \$5,000,000,000 for interest on the public debt, nearly \$600,000,000 for sinking funds, \$1,500,000,000 for tax refunds and customs draw-backs, and \$2,800,000,000 for trust funds. The regular operating fund involved in the bill is \$1,604,000,000.

I find I was wrong when I interrupted the gentleman from Indiana on the total amount involved and in the first statement I just made. It should have been \$11,600,000,000 for the gross total. I shall correct that figure as I get to it.

There are presented here proposed cuts of Budget estimates of \$29,660,000. Of these, \$10,508,000 came out of the Treasury Department and \$19,000,000 out of the Post Office Department.

There are some sores in the Treasury Department that are not cleaned up. I am going to talk about some of them because I think the attention of the House should be called to them. Their is, first, the Division of Research and Statistics headed by Doc Haas, the pay-roll expert in the Treasury Department. Doc, you know, likes to be on a good many pay rolls. We have him down now to two pay rolls, namely, the Division of Research and Statistics and the Bureau of the Public Debt. The worst trouble with that is that with an expenditure over-all of \$350,000 or \$400,000 the statistics he gets out are none too dependable. He used to be on two or three other pay rolls. Frankly, I believe that efficiency in the Treasury Department would be promoted if the outfit were abolished, because I have seen many cases before the Committee on Ways and Means and before our own committee where their statistics did not hold up.

There is another sore right in the office of the Secretary of the Treasury that has only partially been cleaned up. That is their publicity set-up. You know these Government publicity agencies are a menace to the agency that they are in. If these people themselves would get up their press releases and that sort of thing and get them out, it would take less of their time in a long run, because they would not have so many questions to answer and so much explaining to do. There would not be so everlastingly many items put out which they have to explain afterward. I do not know, but I think the whole publicity picture in the Government is terrible. For instance, we can all remember that press release of General Eisenhower, which was put out

right around Christmas, which not only caused him a whole lot of trouble, but caused all of us here in the House a great deal of trouble in connection with the discharge of men from the armed forces. It was an ill-advised statement, and very poorly done, and gave wrong impressions. That is what we get when people who know nothing about the job and have nothing to do but publicity get out statements. Here in the Secretary's office there is a set-up of \$59,000 for publicity. We took \$20,000 out of that item. Personally, I would have liked to have seen the whole of it out. But that could not be done at one time. I hope that we cannot only do that another year, but that we will be able to clean that whole picture up all through the Government. Perhaps the most notorious offender along publicity lines is the OPA. They spend millions of dollars for propaganda, and the result of that propaganda is misinformation. I do not know how people in responsible positions can stand it to have folks get up interviews and statements to give out for them who do not have the slightest comprehension of what the job is about. When you have that going on all through the Government it is absolutely no wonder that the people back home have a misconception of what the situation in the Government of the United States is. The taxpayers are paying for that false impression. It is about time we came to an end of that way of doing business.

What pleases me most about this bill is the fact which appears on page 2 of the report. The way we have set up our operating expenses we are going to require nearly \$40,000,000 less to operate the Treasury Department in the fiscal year 1947 than in 1946.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. TABER. Mr. Chairman, I yield myself five additional minutes.

Mr. MAY. Mr. Chairman, will the gentleman yield for a brief statement and a question based on what I am going to say?

Mr. TABER. I yield.

Mr. MAY. The gentleman knows that during the war a great many temporary war agencies were set up in the Government which were heavily manned with unprecedented numbers of employees.

Mr. TABER. That is true.

Mr. MAY. I have noticed that when Congress passed the bill to authorize the President to reorganize the Government so as to eliminate bureaucracy and unnecessary expenses, they have adopted the practice downtown of finding some bureau that has been set up with several thousand employees and has performed its functions and is no longer essential, instead of just leaving those employees out and letting them seek employment in industry, they transfer them to some other larger bureau or agency. There they are paid the same amount they would be paid if they were in the temporary agency.

Mr. TABER. Do they not generally get a raise when they are transferred?

Mr. MAY. In a great many instances; yes. They have some kind of an arrangement with the Civil Service Commission

by which they will lop them into an old agency in a new position by the wholesale.

Has the gentleman's committee given any attention to that problem by way of cutting appropriations so that they will have to reduce the number?

Mr. TABER. We have tried to do that in this bill just as far as we could.

There is one other thing in the bill that I am rather proud of. If the gentleman has the report and will turn to page 20, he will see there a schedule of items contained in the bill. If the gentleman will look in the last column, he will see that cuts were made below the Budget estimates. The gentleman will notice that, with the exception of a very few items, there was not a single item that was not cut.

I think on the first two pages there are three items that were not cut: Printing and binding, a \$28,000 item in the Secretary's office; the Treasury building operating force which covers the janitors and the cleaners; and distinctive paper for United States securities. It was absolutely impossible to cut these three items. Every other item on those two pages was cut; there is not a single item of increase.

As I told the gentleman, there are some things I have not been able to accomplish in this bill, such as that Research Statistics outfit which is absolutely no good—the one with the Treasury pay-roll expert on it.

Mr. MAY. Mr. Chairman, may I ask the gentleman another question?

Mr. TABER. Yes.

Mr. MAY. I agree with the gentleman that practically every one of the items referred to in the last column carries a minus sign which means they have been reduced; but there are a lot of plus signs in other columns, and at the end of the last column there is a plus of \$272,203,054. Does that mean that the bill taken as a whole is that much in excess of the Budget Bureau estimate, or what?

Mr. TABER. It means that the whole bill is that much in excess of the appropriations that have so far been made for 1946. The reason this situation exists is because the appropriations for 1946 were made prior to the passage of Public Laws 106 and 134 increasing the pay of the civilian employees of the Government and the pay of the post-office employees.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I yield myself five additional minutes.

The total estimate for those items which will have to be taken care of in deficiency bills—and those figures all appear on page 2—total almost \$280,000,000 in estimates that are pending at the present time before the Congress to cover those items almost entirely—they have to be taken into consideration before we take into consideration the increase of \$272,000,000 or whatever it is that the bill is above the appropriation for 1946.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I think possibly I should call attention to the fact that the figure the gentleman from Kentucky used, \$272,000,000 with a plus sign, was a figure that applied to the increase of permanent and indefinite annual appropriations rather than to the operating expense fund.

Mr. TABER. That, of course, includes a two-hundred-and-fifty-million-dollar increase for interest on the public debt alone.

Mr. CASE of South Dakota. And \$345,000,000 for the Federal old-age and survivors insurance trust fund.

Mr. TABER. Yes.

Mr. CASE of South Dakota. The net totals for the Post Office Department and for the Treasury Department in operating funds show a minus \$10,000,000 for the Treasury Department, and a minus \$9,000,000 for the Post Office Department as against Budget estimates.

Mr. TABER. That is right. If you will look on page 2 you will find the Treasury shows a minus of almost \$40,000,000, as compared with the 1946 appropriations as they will be after the increased pay bills are covered.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The fact is that both the Treasury and Post Office Departments do show an increase over the 1946 appropriations, this increase being largely due to the pay increases the gentleman has cited?

Mr. TABER. Yes. That will have to be covered by deficiencies later.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Is there any foundation for the stories that we get to the effect we are letting contracts for post-office buildings without submitting them to competitive bidding?

Mr. TABER. When the bill is being read for amendment and we get to the Fourth Assistant Postmaster General's office I will have information indicating that in at least one particular case bids were advertised for and rejected. Then they chased around for 2 or 3 months and finally let a contract without any bids to somebody else. There were four bids submitted in all, including the one to whom the contract was let. The one to whom the contract was let was an original bidder, but he bid more money than the low bidder. None of these bidders complied with the specifications in the original advertisement, including the one to whom the contract was let without competitive bidding. I will get the details out here when the bill is read for amendment.

Mr. KNUTSON. Is that not contrary to law?

Mr. TABER. I think it is. I do not think they have the authority to do that but I would not want to answer that until the bill is read for amendment.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I yield myself five additional minutes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. Did the committee grant all that the Bureau of Narcotics asked in the way of appropriations for inspectors, and so forth? I am very much interested in stopping the misuse of barbiturates, which are doing great damage to the high-school boys and girls today. I am told that in the veterans' hospitals the patients are given barbiturates to keep them quiet. This is a very dangerous drug-forming habit and I am wondering if some of the money could not be used for the control of the use of barbiturates.

Mr. TABER. We gave the Bureau of Narcotics an increase of \$100,000 above their this year's appropriation.

Mrs. ROGERS of Massachusetts. To be expended chiefly for inspection and supervision?

Mr. TABER. It will be used entirely for that purpose.

Mrs. ROGERS of Massachusetts. Is there an appropriation in this bill for operations under the pure food and drug law?

Mr. TABER. Oh, no; that is not in this bill at all.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kentucky.

Mr. MAY. I notice since I have been in Congress that we vote deficiency bills year after year. That, as I understand it, derives from the practice of bureaus obligating themselves for funds beyond the fiscal year for which the appropriation has been made in excess of the amount of the appropriation. Are they still carrying on that kind of practice downtown in these various executive bureaus of obligating the departments with contracts running beyond the fiscal year where it involves an increase that you have to consider?

Mr. TABER. The abuse of it comes largely in the spending of funds in the early part of a fiscal year in excess of a proper apportionment of the funds. In my opinion these funds should be apportioned so that not more than one-twelfth could be spent in any one month, because if you do not do something of that kind a lot of them, although it is in violation of the law, will go ahead and create a situation where they do not have money enough to carry on their activities in the last months of the year, and they will come back here and ask for a deficiency appropriation. They cannot let contracts without having the money in full providing for the amount of the contracts.

Mr. MAY. In other words, what they do is to spend more money in the early part of the fiscal year than they should spend, and they run out of money for the latter part of it, and then come back to Congress and ask them to make it up.

Mr. TABER. That is one of the games. Then they have another game that is bad.

Mr. MAY. I think they ought to stop those things, and I think the Committee on Appropriations is the one to do it.

Mr. TABER. They have another game. They will save a little money as they go along, and then in the last month they will raise the salaries of all of the chief officers of the Bureau involved so that there will be an extra burden on the appropriation the next year. That is a regular trick. They will not come before the committee and justify that increase, but they will sneak it in.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I am very much interested in the reduction which the committee proposed of \$343,000 in the Office of the Secretary of the Treasury on the cost of handling penalty mail. I wonder if the gentleman would say something about how he was able to accomplish that saving?

Mr. TABER. Well, there is only one way to do it, and that is to stop these people from sending out a lot of foolish stuff.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

I came prepared for that question, although I did not know it was going to be asked. Can you see that folder? That is a product of the Treasury Department which was sent out. That has been broadcast all over. It is the most foolish thing you ever saw, just as if anybody did not know enough to get out an income-tax statement and make a return, without getting up a lot of such posters as that and sending them out, costing thousands and thousands of dollars. You cannot get that kind of a thing out and broadcast it all over the United States for nothing. That is one of the things that this \$300,000 cut was aimed at. They not only get up these things to put out and pay a lot of artists in connection with it, when they are absolutely worthless and will not be effective and will not serve any useful purpose, but they load up the mails with that sort of thing. This penalty-mail statute is valuable largely as a deterrent. It will not actually stop half of the propaganda that ought to be stopped.

This penalty-mail business is not only \$343,000 below the Budget but it is \$1,300,000 below the current-year figure, indicating that the Budget had an idea that they needed to have a little halter put on them. I am hopeful that a lot of this penalty-mail business can be stopped.

There are one or two things in connection with the post-office situation about which I should like to talk. We are in a period of declining post-office revenue. On page 10 of the report that is taken up. For the last 4 months, according to the report, there has been a decline in revenue. There was a decline in September of 6.50 percent, in October of 9.11 percent, in November of 3.10 percent, and in December of 7.10 percent, and I understand that the figures for January show a 7.35-percent decline.

Mr. LUDLOW. That is a preliminary figure, based on reports from the 208 largest offices.

Mr. TABER. That, of course, is subject to correction. It may run larger. This indicates that the volume of mail is going down. It indicates a much larger decrease in the volume of mail annually than the percentage shows. The percentage is the dollar revenue. We all know there will not be over 50 percent, yes, there will not be over 25 percent as much soldier mail handled in the coming fiscal year as there is in this, and not more than 25 percent this year as compared with last year, because the number in the armed forces today is presently only about 50 percent of what it was at the peak on the 1st of July. The volume of free mail will be very, very largely reduced.

With that picture in mind, of course, it was impossible to provide as many clerks and carriers and rural carriers and others as the Budget has estimated. There were increases in the volume of mail in sight, according to the Post Office Department, at the time they submitted their figures to the Budget first in September, so we had to go over those figures and make certain reductions, which appear in the bill. There is no sense in loading up the Department with a great lot of help that it cannot use.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I am interested in getting the gentleman's interpretation of the silver paragraph on page 25. As I read it, it authorizes the Secretary of the Treasury to sell or lease for certain purposes any silver held or owned by the United States at not less than 71.11 cents per fine troy ounce. Then the proviso says:

Providing at all times the ownership and possession or control in the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury.

That is, at what valuation would the silver be computed to determine the monetary value equal to the face value of all silver certificates outstanding—at what price per ounce?

Mr. TABER. The statute in force at this time, according to my understanding, requires silver to be computed for the purpose of backing a silver certificate at \$1.29 per ounce. On the other hand, the market price of silver, without the Government purchase, would probably go down to 25 or 30 cents at the present time. This permits the sale at 71.11 cents, which is the price that I understand the Government is currently paying.

Mr. CASE of South Dakota. Is not the effect of this provision to reduce the actual value of a dollar silver certificate in the ratio of 71.11 cents to \$1.29?

Mr. TABER. No, because the silver certificate would not be affected in any way by this language.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HILL. It is my information that the world price of silver today is con-

siderably higher than 71.11 cents. Is that a fact?

Mr. TABER. I understand it is not. I understand that the world price is only maintained at near 71 cents because of the statute which we have which requires the Treasury Department to go into the market and purchase.

Mr. HILL. I think the gentleman is mistaken on that because I am certain that the price of silver in the world market is much higher than 71.12 cents.

Mr. TABER. We will find out so that we will know when the bill is being read.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I yield myself another 5 minutes.

Mr. HILL. Mr. Chairman, will the gentleman yield for another question?

Mr. TABER. I yield.

Mr. HILL. It seems to me from a reading of this provision that if we are going to sell, that is, if the Government is going to sell silver to the manufacturing concerns for 71.12 cents and if that same silver is worth \$1.20 or \$1.29 per ounce and if it is put into the Treasury and we issue silver certificates against it, are we not absolutely losing the difference between 71.12 cents and \$1.29? That is the way we figured mathematics when I attended school.

Mr. TABER. Of course, I am afraid that is not correct and I must tell the gentleman why. The reason is that for monetary purposes the price of silver is \$1.29, which is a purely artificial price and not an actual price. That has been the law for a long time. Frankly, I do not believe it is a good law, but this provision, may I say to the gentleman, requiring the sale of silver is very much in the interest of the silver States. I am going to give you the picture so that you will understand it because I do not want you to be confused. I want you to know what the picture is. If we do not carry this provision, it is going to be absolutely impossible under the conditions as they exist at the present time for silversmiths in this country to go on manufacturing silver. That means that the silversmiths outside of the United States will be able to get silver at a cheaper price than the silversmiths here can get it, and the silversmith industry in the United States will be wiped out, and the market for domestic silver, which is the mainstay for these silver producers, will be wiped out and gone. If you want to put those people who are keeping you alive, out of business, then you should oppose this provision. Otherwise you should be for it.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HILL. Is the gentleman informed as to the price these silversmiths are going to charge us for this silver material or products we are going to buy? Are they going to bring them down so that we will get the benefit of the 71.12?

Mr. TABER. They cannot figure any more into it than the 71.11, under the OPA.

Mr. HILL. Does the gentleman know any silversmith on the public pay roll to whom we are paying a pension?

Mr. TABER. No; not unless they are under the Social Security Act.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. SMITH of Ohio. I should like to answer the question propounded by the gentleman from South Dakota [Mr. CASE]. The gentleman from South Dakota asked whether the sale of this silver at 71.11 would not reduce the monetary value of silver. The thing is a little ridiculous when you stop to reflect that here are two prices of silver. If the Treasury can buy silver at 71.11 per ounce, is that not what silver is worth?

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield to me?

Mr. TABER. I yield.

Mr. CASE of South Dakota. If the Treasury has silver on hand, it can issue silver certificates and get \$1.29 for an ounce of silver in the silver certificates. Why should the Treasury sell it for 71 cents when they can get \$1.29? Why would it not be better to issue silver certificates and use that extra 58 cents toward reducing the public debt?

Mr. TABER. You have to get it into circulation. It is hard work.

Mr. SMITH of Ohio. Will the gentleman yield further?

Mr. TABER. I yield.

Mr. SMITH of Ohio. That statement by the gentleman from South Dakota really bypasses any real answer. You would go right into the inflation proposition. That is what you are advocating here—inflating the value of the currency. In other words, you are advocating a debasement of the currency. The gentleman's question really is, Would it not be better to debase the currency than to sell silver at the price the Treasury pays for it?

Mr. CASE of South Dakota. You are debasing silver certificates when you are selling it at 71 cents rather than \$1.29, but the gentleman from Ohio is an ardent advocate of reducing the public debt, and I think we could use the silver for its best value in that regard.

Mr. SMITH of Ohio. Not with printing-press money.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield to the gentleman from Arizona.

Mr. MURDOCK. The gentleman asked a moment ago about the price of silver on the world market at 71.11¢. I would like to ask how much silver has been purchased at that price within the last year. It is my impression that that is not the world price. There is a great deal of silver in Mexico right now that you cannot buy for 71 cents an ounce.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield to me?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Let me say for the information of the gentleman that up to a few months ago you could buy silver in Mexico for 40 cents an ounce.

Mr. TABER. That is what I figured it was.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WHITE. If you can buy silver on the world market for 71.11, why do these jewelers come in here with this bill to make a raid on the Treasury?

Mr. TABER. Because they cannot buy it, under the law, anywhere else.

Mr. WHITE. Another question. There are 300,000,000 ounces of silver lend-leased to England. Does the gentleman know what England did with that silver and what price it is today?

Mr. TABER. No.

Mr. WHITE. I will tell the gentleman for his information, that the English have coined and put most of it into circulation at a higher price than our dollar value of silver at \$1.29. You can get those figures at the Treasury if you will ask for them.

Mr. TABER. We all expect our friends to make money out of their transactions.

Mr. WHITE. Not at our expense, I hope. I think the gentleman is a proponent of economy.

Mr. TABER. We gave it to them, did we not? Did we not give it to them?

Mr. WHITE. They will probably give it back to us and demoralize our market as they did in 1929.

Mr. TABER. The gentleman does not expect that, does he?

Mr. WHITE. Let me tell the gentleman something else: If he will compare the prices of silver throughout the world, and particularly India, he will find it is around almost a dollar an ounce—the world market for silver. There is a brisk demand all over the world; and these jewelers want to come in here and make a raid on the Treasury; and the gentleman would let them. The gentleman is running counter to all his pronouncements here on the floor on economy and protecting the United States Treasury.

Mr. TABER. I want to give the people of the United States half a chance, instead of wiping out the silver industry, as the gentleman would want to do.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. SMITH of Ohio. I have a clipping here on the world price of silver by Handy and Harmon. They give it at 70% cents per ounce.

Let me point out that there is no real world market for silver today because of the fixed price which our Government and other governments are placing upon silver. There is no such thing as a free world market of silver.

Mr. TABER. Of what date is that figure, if the gentleman would tell us?

Mr. SMITH of Ohio. This is dated February 11.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. MURDOCK. If that is the world market price for silver why do they not buy silver abroad and take advantage of the price instead of buying it from the United States Treasury?

Mr. TABER. They are not allowed to.

Mr. MURDOCK. The law could easily permit it.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MANSFIELD of Montana. The gentleman said something about the difficulty of getting silver into circulation. I have here in my hand a clipping from a newspaper in Montana which states that at Wilksburg, Pa., a few months ago a gentleman called at the bank requesting that a check he had cashed in silver dollars. The teller said: "Sorry; I am allowed to let you have only one."

It would appear that there is no desire on the part of the banks of this part of the country to help keep and bring more silver into circulation so that we can have that money as backing for our currency.

Mr. TABER. I do not believe very many banks in this part of the country have any demand for silver dollars.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. Brooks].

Mr. BROOKS. Mr. Chairman, I asked for this time to say a word in reference to the air-mail service. I am interested in what is now being done, but I am especially interested in the future plans for the air-mail service.

As you know, several months ago a group of Congressmen from the States of Texas, Arkansas, Mississippi, and Louisiana petitioned the Civil Aeronautics Board asking this Board to speed up its findings and its decision in reference to the expansion of aeronautics in the United States, and especially in reference to the lower Mississippi Valley. During the past number of months the Civil Aeronautics Board has held hearings in many sections of the United States with the thought of expanding the air transportation throughout the country. It held hearings in New England, out on the Pacific coast, in California, and in a number of other sections of the country, including the city of New Orleans, La. They are accumulating, I am told, a vast amount of data on aviation expansion.

Mr. Chairman, it seems to me, however, they are moving very slowly in this respect. I went over to see some of these officials the other day to discuss this matter with them, and made a special appeal that the Civil Aeronautics Board speed up its work and its decisions so as to take advantage of the possibility of using some of the surplus Army and Navy equipment which might be available for air service at the present time.

In spite of our efforts, it seems it is going to require months, maybe years, to get these decisions out of the Civil Aeronautics Board. In the meantime many airports throughout the country are lying in disuse. I have had occasion to fly over various parts of the country and I have seen these abandoned Army airports, I have seen other local ports not in use, and it seems to me the program could be speeded up, and at least the airports which have been built during the war, now abandoned, could be put to some good commercial use. I know of a number of applications pending to use the

airports which have been abandoned for transportation purposes. These applications could certainly be acted upon promptly, permitting our people to use the facilities at hand and permitting them to fly and the mail to be carried.

I am especially interested in having air-mail service extended to the smaller towns. It is a matter of common knowledge that last year the air-mail service produced a surplus revenue of \$60,000,000, which shows that the air-mail service in the past has been on a most profitable basis. These towns, not merely the cities that presently have air-mail service, but the small towns and villages throughout the country are likewise entitled to air-mail service. Some of these towns can be given this service even before the local airport is built. If air-mail service were extended to some of the small towns in my area in Louisiana, there would be a difference of 24 hours in the service between Washington and those towns in my district.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to my distinguished friend from the West.

Mr. MURDOCK. I am heartily in accord with the plea the gentleman is making. He is presenting a good substantial statement. My area is far different from the State of Louisiana. We not only could use the airports and airfields that have been abandoned for air-mail service, but we ought to extend the pick-up service so that we can furnish air-mail delivery and gathering of the mail from the back doors of America, in the mountain districts where the inaccessible spots are located, and we could do that in cooperation with the gentleman's plan.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. LUDLOW. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. BROOKS. Mr. Chairman, the gentleman from Arizona indicates by his statement that he has given thought to this matter. We who come from the South and the Far West, like the gentleman does, realize the tremendous advantage of air-mail service in handling business and in governmental matters. I may say that in the interest of good government, in the interest of good democratic and republican government, and I use those terms in the generic sense, air-mail service means a great deal. It means bringing the outposts of the country close to the seat of government; it means bringing your Representatives close to the people, putting them on notice more quickly of things that go wrong back home, and giving them a readier means of correcting the trouble.

Mr. Chairman, we are rapidly approaching the time when all first-class mail ought to be carried by air. With the experience of the past showing a tremendous profit in the air-mail service, the carrying of the mail can be further expanded and we should reach the point where first-class mail, wherever it is sent in the United States, will go by air. This will insure fast delivery, with resulting benefit to our people. I venture the statement that the Postmaster General is in harmony with the thoughts

that I express in sending all first-class mail by air.

If the Civil Aeronautics Board can proceed with its decision with a little more dispatch, we will find aviation reaching out commercially in this country into the remote sections, to the small villages and hamlets, thereby giving our people the advantages of close and quick contact by reason of communications, which they are entitled to. My purpose in making these few remarks today is to urge upon the Civil Aeronautics Board to speed up its hearings and its decision. I realize that in a country the size of the United States, there are tremendous clashes and complications, and ramifications. I realize that it is not an easy job for that Board to sit in California and after learning the local situation to move then in a few days to Florida or on the Atlantic seaboard and take up hearings again. It is not an easy job to harmonize the whole thing into one great picture of commercial aviation on a national scale. Yet, it is a job that has to be done, and I hope it will be done with dispatch.

Mr. LUDLOW. Mr. Chairman, I yield to the gentleman from Texas [Mr. PATMAN] such time as he may desire.

THE HOUSING BILL—H. R. 4761

Mr. PATMAN. Mr. Chairman, within a few days the Congress will consider H. R. 4761, the bill which I introduced to provide housing for our returning veterans. This is an urgent piece of legislation, desperately needed to meet the housing problem, which is daily growing more critical.

One of the most important features of the program designed to attack this situation is the need to hold down the skyrocketing prices on homes until production of new dwellings can act as a brake on the present inflationary market. If home prices are permitted to continue to rise unchecked, any housing program will be of little benefit to the average serviceman. Even now, prices have risen to the point where many servicemen cannot buy a home.

Foreseeing this situation, I included a provision in my original bill to put ceiling prices on existing homes. This provided that any present owner of a home could sell it at whatever price he could get. This price would then become an automatic ceiling for the duration of the housing crisis, which we estimate will be some 18 months.

I considered that provision a very mild and equitable form of price control. It completely protected the present home owner from loss. Its sole purpose was to hold down speculative selling and reselling of homes in a boom market for a very short period of time. The Banking and Currency Committee saw fit to strike out this just provision, but offered no other proposal to adequately curb the speculative profiteering, which all of us know is racing over the country at the present time.

Mr. Wilson Wyatt, the new Housing Expediter, whom we have charged with the responsibility of meeting this crisis, needs this provision as one of the keystones of his program. Three times he has publicly requested that such a provision be included in the legislation need-

ed to meet this crisis. In this testimony before the House Banking and Currency Committee he said this was the most practical formula he had seen for curbing inflation. In his report to the President, outlining his program, he said, and I quote:

Existing laws do not provide sufficient authority to enable us to achieve the objectives of this program. The prompt passage of additional legislation is imperative. . . . In addition to these measures which are needed to increase and accelerate the construction of permanent housing, legislation is needed which will . . . stop inflation in the prices of homes through price control on housing and housing sites. While production is the long-range solution for inflation, we should protect the veteran against excessive prices if he buys a home now.

As late as last Monday, in a public statement at a press conference, Mr. Wyatt reiterated his need for control of prices on existing homes, as set forth in my provision.

I wish to put myself on record that, when the housing bill reaches the floor, I will ask that this amendment be adopted to provide the Government with a most essential tool in keeping our economy safe from the ruinous prospects of inflation during the reconversion period.

Mr. CANFIELD. Mr. Chairman, I yield to the gentleman from Washington [Mr. HORAN] such time as he may desire.

Mr. HORAN. Mr. Chairman, I am very much opposed to this rider on page 25 of the bill, which presumes to duplicate action already taken by this House in regard to silver.

This rider is, of course, legislation on an appropriation bill, but a rule waiving all points of order has been granted. I opposed both this rider and the request for the rule in committee, and I hope the Committee of the Whole House, when the bill is read for amendment tomorrow, will take corrective action, first, because this action is taken without hearings or a proper weighing of facts by the committee, is therefore snap judgment; and, second, because it duplicates action already taken by this House when H. R. 4590 passed this body on December 19 last.

This rider is, therefore, both hasty and unnecessary. It should be stricken from the bill.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I take this time to make a few observations with respect to this appropriation bill and with respect to appropriation measures in general. First, I do want to commend the chairman of the subcommittee, the gentleman from Indiana [Mr. LUDLOW], as well as the ranking Republican member of this committee, the gentleman from New York [Mr. TABER], for the diligent work that has been done on this particular measure. They are both outstanding Members of the House deeply interested in the welfare of our people. I want to say, however, that I think it is extremely unfortunate that a bill that appropriates as much as \$11,000,000,000 directly or indirectly should come to the floor of the House with so

little notice. I know it is the way appropriation bills are brought before the House. This is not an exception. Here is a bill that I think comprises some fifty-odd pages, with about 35 or 40 pages in the report, and hearings involving some 1,200 pages, yet the Members of the House do not have a chance to become familiar with the contents of this legislation until only a few hours before it comes to the floor for consideration. I realize we are expected to depend largely upon the good judgment of the membership of the subcommittee who hold these hearings as well as the committee itself, to whom the report is made.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Indiana.

Mr. LUDLOW. I appreciate very much the gentleman's kind personal reference, and thank him, but it is a matter of fact there is only \$1,604,000,000 in this bill that is subject to any kind of control. All the rest of it, up to the total the gentleman mentions, is continuing appropriations, over which we have no jurisdiction at all.

Mr. REES of Kansas. It is fair, I believe the gentleman will agree, to call the attention of the House to the fact that we are spending, after all, \$11,000,000,000 when we put through this legislation. The gentleman says we control only \$1,604,000,000; after all, that is a considerable amount.

Mr. LUDLOW. Exactly the same appropriation procedure has been followed on this bill as on all other bills. It is reported one day and then considered the next day. Everybody has a chance to read it.

Mr. REES of Kansas. I agree that it is the method that has been followed, but I do not believe it is a procedure that ought to be followed. I think legislation of this importance should have much more consideration and the Members and the country should know about it before it is considered. I am talking about the procedure generally; I will say to the gentleman, that I am not directing my remarks at him, not at all. I think the gentleman is inclined to agree with me.

Mr. LUDLOW. Does the gentleman have in mind a longer period, then, between the reporting of the bill and the taking up of the bill on the floor?

Mr. REES of Kansas. That is what I have in mind.

Mr. LUDLOW. That is a matter that might well have attention, I think.

Mr. REES of Kansas. Members of the committee have spoken of the cuts that have been made here and there. I commend the committee for having made cuts where the bill has been trimmed down in some places as against the amounts asked for by the Bureau of the Budget, but let it be understood that you have agreed to spend even under this bill some \$241,540,875 more than you spent last year. I think that should be recognized. One of the reasons given for it is an increase in salaries of employees in the Federal Government.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield further?

Mr. REES of Kansas. I will be glad to yield for a correction if I am incorrect in my statement. I am looking at page 33 of the committee report, where it says, "Grand total, titles I and II," and there is a plus sign before the figure \$241,540,375.

Mr. LUDLOW. Public Law 106 enters into that. On a comparable basis this bill carries \$64,395,000 below the 1946 appropriation. We cut the 1946 appropriation for the two departments by over \$64,000,000, on a comparable basis.

Mr. REES of Kansas. I am talking about your own figures, shown in the table included in the committee report.

Mr. LUDLOW. The table is not entirely obvious on its face. It does not make allowance for the Pay Act. When you place the comparison on a strictly comparative basis, this bill is nearly \$65,000,000 lower than the appropriation for the fiscal year 1946.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. CANFIELD. Mr. Chairman, I yield five additional minutes to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman has just stated that it does not take into consideration the Pay Act, but we must admit that we are spending more money than we spent before. Of course, the Pay Act does increase the cost of the bill. We are spending more money than we spent during the fiscal year 1946, according to the committee's own figures.

Mr. LUDLOW. You spend \$65,000,000 less in 1947 than in 1946.

Mr. REES of Kansas. Does the gentleman mean this is all the money we are going to spend for these departments during the fiscal year?

Mr. LUDLOW. On a comparable basis it is less in 1947 than in 1946 by \$65,000,000.

Mr. REES of Kansas. I am just taking your own figures here.

Mr. LUDLOW. The table to which the gentleman refers does not take into consideration the differential on account of the Pay Act.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. In other words, there is an absolute increase in the amount?

Mr. REES of Kansas. I cannot see it any other way. It is right here in this bill. I want to call your attention to two or three items under "Salaries and expenses." Look on page 22, for example. We have here under Customs Service, and, of course, whether you should spend the money or not is another question, but you say here you are spending this year an increased amount compared with the 1946 appropriations of \$5,232,000. You have increased it over the 1946 appropriation \$5,232,000. You have put in the next column that the increased cost of the Pay Act is \$1,548,000. So you are actually spending under that particular item more for expenses and more for help in the amount of \$1,548,000.

Mr. LUDLOW. The gentleman is correct. In certain offices we have to spend more, and in certain offices we spend less.

Mr. REES of Kansas. I am talking about this particular item, Mr. Chairman.

Mr. LUDLOW. The figures I gave the gentleman were the over-all figures for the two departments which are \$65,000,000 less than in fiscal year 1946.

Mr. REES of Kansas. All right. What I want to say is if you go through this report and examine it carefully, you will find that we are not carrying out policy that you have heard so much on the floor of the House about cutting down the expenses of personnel in Government. You will not find very much in this particular bill or in the bill that came up last week where cost of personnel is reduced. Many Members spoke on the floor of the House about operation of the Government by bureaus and about the tremendous number of people we have on the pay rolls and all that sort of thing, but up to this time the Committee on Appropriations has not done very much about it. As a matter of fact, if you examine the Budget report and the Budget report is not complete, that it not only asks for as much money as before for personal service but for even more funds. The Bureau of the Budget does not cut out very much in the personnel in government. The gentleman points out reduction in the over-all picture, but if he can show me where he and his committee have cut down the personnel employment in government so far as this bill is concerned, I would like to have him tell approximately how many individuals the gentleman thinks will be cut from the pay roll because of this particular piece of legislation. Maybe it should not be done. I am asking whether he has done that sort of thing and, if so, where?

Mr. LUDLOW. I am glad the gentleman expresses doubt as to whether that should be done because these two departments are service establishments and of all the departments of government lend themselves less to a reduction of personnel. May I say further to the gentleman, as he well knows, the members of our subcommittee belonging to this party are among the very best cutters in the House of Representatives. They do not allow anything to remain uncut that should be cut. This bill comes to the House as the unanimous report of the committee.

Mr. REES of Kansas. I am glad that the gentleman from Indiana, the distinguished chairman of the subcommittee, is giving credit to Members on my side of the House for paring down the expenses of government. I am sure he is in accord with my view that we need to do a lot of trimming.

Mr. LUDLOW. I surely do want to give a full meed of praise to the gentlemen on your side of the subcommittee, Mr. TABER, Mr. CANFIELD, and Mr. KEEFE. They and the entire membership of this subcommittee all believe in economy, and we have cut to the very bone, I am sure, every dollar that ought to be cut from this bill in the public interest. That is the way I feel about it.

Mr. REES of Kansas. I appreciate the gentleman's statement, but still I feel we should lay the whole thing on the

line and show just how much expenditures have actually been reduced.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. CANFIELD. Mr. Chairman, I yield the gentleman one additional minute.

Mr. REES of Kansas. Mr. Chairman, the Committee on Appropriations does have a tremendous job, but I do feel that now is the time of all times to really cut to the core all the way down the line and pare down the expenses of government. It should be done under scrutiny of absolute needs, and a realization that we have an almost depleted Treasury.

Mr. LUDLOW. I believe that philosophy motivates the entire subcommittee as well as the three Members from the gentleman's side.

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I want to register my protest, as did my friend on the Republican side of the aisle from the State of Washington, to the rider on page 25 of this bill. This concerns the sale of silver from the Treasury at about 71 cents per ounce.

I notice that the resolution which made this bill in order waives points of order against that one particular phase of the bill. I do not particularly object to such a rule on an appropriation bill, and less so on a revenue bill, because I do know that is the ordinary thing to get a gag rule on certain bills. However, as the gentleman from Washington pointed out, this rule permits a reenactment of a measure that passed the House on the 19th of last December. I am not exactly sure, the House having passed this identical measure on the 19th of last December, that I see why we should put it on an appropriation bill as a rider in order to pass it in the House again. Of course, I do know that it will have hard sledding in the other body, and I presume there may be some advantage in repeating it in this bill.

I have been tremendously interested in and concerned about this matter of inflation. A great many people have been writing me saying, "Enact the Green bill, H. R. 4590." It took me quite a while to find out what they meant by the Green bill, H. R. 4590. I knew such a bill was introduced by Senator GREEN. I noticed it was introduced in this House by the minority leader from Massachusetts. I noticed that the people who asked me to support that measure said, "We want to avoid inflation, and if the Government converts silver at the rate of \$1.29 per ounce into money it will be disastrous inflation." What a calamity. Talk about straining at a gnat and swallowing a camel! As if we did not have inflation already and from other causes, and as if we were not likely to have 10 times the amount of inflation in another way than this would permit.

Today I understand the Treasury Department has 240,000,000 ounces of silver that is not being used. Suppose you turned the entire 240,000,000 ounces into silver certificates at \$1.29 per ounce, it

would amount to about \$300,000,000. That would be an awful blowing up of our monetary system, would it not? That would be ruinous inflation. Yet we have easily 10 times that volume of money blown up through the inflation of Federal Reserve notes. Now every time we add a dollar of paper money in Federal Reserve notes, that is based on an interest-bearing debt and increases a burden on someone.

I have heard a great many of my friends cry out against printing-press money. They say, "Let us not have a flood of printing-press money. God save us from printing-press money." There are two kinds of printing-press money, and I feel those friends are thinking of only one kind. They can both be bad in different directions.

There is one school of thought which says, "Let us not think of having Lincoln money." I should speak of it as Lincoln money, the day after Lincoln's birthday. What was Lincoln money? Of course, I refer to Civil War greenbacks. In the midst of the Civil War when the bankers of the country were holding up Uncle Sam and charging usurious interest, Abraham Lincoln sanctioned the issuing of \$450,000,000 worth of paper money, known later as greenbacks—United States Treasury notes. It saved the country in wartime when the bankers would not do it. That was the only way he could finance the war at that critical juncture. Now, such a type of money is called printing-press money. I admit the possible evils of it and the dangers of it, but we have gotten away from that now and have gone to another type of printing-press money.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. LUDLOW. Mr. Chairman, I yield three additional minutes to the gentleman from Arizona.

The CHAIRMAN. The gentleman from Arizona is recognized for three additional minutes.

Mr. MURDOCK. We have another kind of printing-press money now. It is true Uncle Sam's printing presses are doing the printing. We are issuing bank currency, bank notes, Federal Reserve notes, and the sound money men say they have backing, they are backed by United States bonds. We financed World War II by backing Federal Reserve notes with United States bonds just as we used to back national bank notes by Federal bonds. They have got that backing yes, but I want to assure you that Lincoln's money had that same kind of backing, the credit of the United States. In the latter case of Lincoln's money it was without the burden of interest.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I am glad to yield briefly to the gentleman from Ohio.

Mr. SMITH of Ohio. Is that all the backing that the greenbacks received, the credit of the United States?

Mr. MURDOCK. Later there was a hard money reserve; we had gold and silver back of the greenbacks too, and that is exactly what I am contending for

today, if the gentleman will let me conclude on this important point.

I do not want an unsound paper currency, printing-press money issued either by the Government or by the banks. I believe the founding fathers knew what they were talking about when they made gold and silver the basis of our monetary system, and when they forbade any States using anything but gold or silver as legal tender for payment of debts. It is that hard money that I am pleading for, and we are getting away from it. Secretary Morgenthau and others have said we do not need gold in reserves; that gold has only a psychological effect in our monetary system; that if we want to reduce the reserve ratio from 40 percent to 25 percent, all right. We might just as well reduce it to 5 or 1 percent, or zero.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. WHITE. The gentleman is on a very interesting subject, the policy of the Government, and particularly the contrast between the Lincoln administration and the present administration. As a matter of fact, President Lincoln and his cabinet were far more considerate of the people of these United States and posterity when they issued Treasury notes, non-interest-bearing Treasury notes. Today every dollar of the \$29,000,000,000 bears interest that must be paid by the taxpayers. Is that right?

Mr. MURDOCK. That is exactly true of all bank currency—and most of our money today is bank currency.

Mr. WHITE. And as a further matter of fact, they never issued over a billion of so-called greenbacks or Treasury notes at any portion of that period.

Mr. MURDOCK. If we took all of the 240,000,000 ounces of silver now in the Treasury and turned it into money at \$1.29 per ounce, we would have more than \$300,000,000, and have that money without paying bankers or anybody else interest in order to get it. Such a step would be in the direction of reconversion more than this proposal.

Naturally, I am anxious that silver be used in industry and I want to see expanding uses of it in industry. Silver was probably used earlier in the arts and trades in my section of the country than it was on the Atlantic seaboard. Prehistoric men in Arizona made great use of silver long before Columbus came to America. To this day the Hopi Indians of Arizona in their sky cities perched like eagles on a rock are living as their forbears lived centuries before America was known to white men, and they are now, as their forefathers were, skilled workers in silver, and their neighbors, the Navajos, are almost equally proficient as silversmiths and craftsmen. I want them to continue thus to work in silver.

I am anxious enough to have silver used in the industries here in our eastern cities, and I can see it plays a small part in the reconversion for which we all strive. I know there is a great demand for tableware, knives and forks, and spoons and plates. I do think that the new crop of babies, with which we are

now blessed, would stand a better chance of surviving the ills of childhood and get a better start in life if each had, not necessarily a silver spoon but at least a silver cup. However, I cannot think that the proponents of this legislation are thinking about baby's health or its mother's convenience in demanding cheap raw silver for their industry out of the United States Treasury at the expense of the American taxpayer. I say, let these silversmiths and jewelry makers get their silver where they can, from the mines that produce it, and let them pay what the law of supply and demand determines. We can more easily change any law or any OPA regulation that would bring such about and make it possible.

I have already explained my attitude toward the precious metals as a basis of our monetary system as the fathers decreed it in the Constitution of the United States. However, I cannot pass this moment by without a word concerning the great advantage which our Nation has today in this postwar period, because of the large stocks of precious metal which we are fortunate enough to possess. It pains me deeply that influential people will ignore the great advantage which this country has as a financial and monetary leader in the world and fail to see to what advantage that could be placed, if we put the proper emphasis upon the use of gold and silver in our monetary system. Today and for many years to come the whole world is going to be hungry, not only for food, but for goods, and especially for a sound medium of exchange with which to purchase goods, a medium in which they can have confidence. The peoples of the world do not want paper money. They want hard money, and that is why the British Government has taken from us many millions of ounces of silver, every ounce that they could get from us, and coined it into coins at a rate far exceeding in value our \$1.29 per ounce. The British, the Australians, the Canadians, the South Africans, and the Anglo-Saxon leaders in India know very well what they are about. They know the kind of money their people insist on having, and will strive to obtain, while we look upon the white metal as merely fit for knives and forks and spoons.

Think of the last piece of silverware you bought. Assume that it is sterling. Weigh it, and you'll find that under the terms of this bill the silver obtained from the United States Treasury is at the rate of 50 cents and you paid for the finished product at the rate of 10 dollars. The spread is all of that and more, and yet to enable the poor manufacturers and dealers to get that spread of profit with this legislation you propose to sell that which is worth \$1.29 to Uncle Sam for 71 cents. You who favor this are certainly anxious to do the right thing by those who work in silver.

However, I cannot believe that all the pressure brought to bear favoring this type of legislation and providing for what to me is a raid on the United States Treasury is prompted by desire to help silversmiths and those that use silver in the arts and trades. I cannot believe

that the anxiety to enact this into law is occasioned altogether by the new uses of silver in making delicate instruments and in high-class modern machinery, which has lately come about during this war. Well, what do I believe? I believe that some people want to eradicate silver from having any significant place in American money in order that some other kind of money may be used instead. Perhaps such are the chief backers of this legislation. If we no longer use as money the precious metals which our fathers knew and provided for its metallic backing, we can then use that superior type of bank-paper currency which causes somebody to pay interest on a bonded indebtedness for the privilege of having such a medium of exchange.

The CHAIRMAN. The time of the gentleman from Arizona has again expired.

Mr. LUDLOW. Mr. Chairman, I yield such time to the gentleman from Montana [Mr. MANSFIELD] as he may desire.

Mr. MANSFIELD of Montana. Mr. Chairman, on December 19, 1945, this House passed a bill, H. R. 4590, whereby jewelers and industrial users would be allowed to buy silver at 58 cents per ounce less than its actual statutory value. Why should we suffer this loss and thereby increase our indebtedness in this manner? Now H. R. 4590 is again before this body as a rider to the current appropriation bill now being considered. I can see absolutely no justification for this rider, and as one of four Members who voted against H. R. 4590, I feel that the silver provisions of this bill should be referred to the House Committee on Coinage, Weights, and Measures under the able chairmanship of the gentleman from Idaho, Mr. COMPTON WHITE. There it will receive every possible consideration, and full and open hearings on this matter will be conducted.

We all know, Mr. Chairman, what silver means to the West and the great part it played in winning the war. If this silver measure passes, it is going to work a hardship on our small-mine operators and hinder our reconversion and recovery. I can see no need for our miners and small operators under such a price differential as is proposed in this measure, and I urge the House to think twice before acting on this measure.

I would much prefer the House to give its support to a measure on the order of S. 1728, introduced by Senator McCARRAN, of Nevada, and which has the following provisions:

First. An increase in the price paid by the mint for newly mined silver to its full monetary value of \$1.29 per fine ounce. Under the act of July 6, 1939, domestic producers are now receiving \$0.7111 per fine ounce.

Second. Repeal of the sections of the Silver Purchase Act of 1934, which—

(a) Imposes a tax of 50 percent on the profits made through the sale of silver bullion;

(b) Gives the Secretary of the Treasury, with the approval of the President, the power to regulate silver transactions, including exports and imports.

Third. The sale of silver to industry for manufacturing purposes. The silver

is to be sold at not less than its full monetary value, \$1.29 per fine troy ounce.

Mr. Chairman, the silver which the Government owns should be put into circulation as money, which in turn will increase the value of our currency, give our dollars more solid backing, and reduce the amounts of bonds the Government must sell to pay for its operating expenses.

I cannot understand why this important silver legislation is being rushed through in this manner without full and proper hearings. It is my hope, and I shall fight to have it done, to refer this particular silver legislation to the Committee on Coinage, Weights, and Measures, where I know the gentleman from Idaho [Mr. WHITE] will give it his full attention.

Mr. CANFIELD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, at Bucyrus, Ohio, located in my district, with a population of about 12,000, a strike is taking place at the Crawford Steel Foundry Co. This concern employs approximately 200 men. One hundred and thirty-two, which is a vast majority of the employees, signed a petition appealing to the management of the Crawford Steel Foundry Co. to permit them to return to work which they published in the local newspaper, the Bucyrus Telegraph-Forum, Monday, February 11, 1946. It reads as follows:

AN APPEAL TO THE MANAGEMENT OF THE
CRAWFORD STEEL FOUNDRY CO.

We, the undersigned residents of Bucyrus and vicinity, constituting a majority of the employees of the Crawford Steel Foundry Co., who have been forced into idleness for the past 3 weeks by the steel strike ordered by persons whom we contend, cannot, and do not know our local problems, renounce the CIO, and are hereby asking that the management of the Crawford Steel Foundry Co. open its plant and allow us, at the earliest possible date, to resume our respective jobs at what we consider to be currently fair and satisfactory wage terms.

We feel it is our constitutional right to work if we so choose to do—and we feel we are the best judge of our local needs in determining satisfactory wage terms.

We no longer wish to be represented by the USA-CIO.

We want to go back to work at once.

We ask the management to reopen the Crawford Steel Foundry Co. as soon as possible.

We are fully satisfied with our working conditions and our current wages.

We ask public support of our right to work.

Mr. Chairman, I am reliably informed that about 200 pickets from Lima, Mansfield, Shelby, Marion, and Bucyrus were on hand this morning at the plant, some of them arriving as early as midnight, to prevent these men from returning to their work, and that they virtually formed a blockade to accomplish their purpose. A group of the returning workers took one look at the picket force and decided not to try to enter the plant. The returning workers, who had huddled together in a group, were virtually surrounded by pickets. A veteran of the late war among them shouted: "So this is what we fought for."

This is a sad picture. If the time has come when citizens are forbidden by law

or failure to enforce the law to work to provide bread for themselves and their dependents, even the pretense of freedom has been lost and the working people reduced to serfdom. Can there be any doubt that the excesses of irresponsible persons involved in management-labor disputes have reached the point where the real interests of those who toil with their hands are being jeopardized? Here we have a majority of the employees of a steel foundry forced to strike, not because they are dissatisfied with any treatment they receive from their employer, but because the heads of the organization to which these men belong, who live at some distant point from such plant, order them to strike. These men categorically assert:

We are fully satisfied with our working conditions and our current wages.

And:

We feel it is our constitutional right to work if we so choose to do—and we feel we are the best judge of our local needs in determining satisfactory wage terms.

Nevertheless, forces from the outside were brought to Bucyrus to prevent them from doing so. The right to work is a God-given right. I can conceive of no greater wrong that one man can do to another than arbitrarily prevent him from working to produce the necessities to sustain his own life and that of his family. I believe it is a basic responsibility of every political subdivision, from the Federal level to the smallest, to join in a united movement to guarantee to each individual the free right to work wherever he pleases, at whatever compensation he can agree upon with his employer, without having to pay tribute to anyone. This would be no more than a reassertion of the rights of labor and all other groups guaranteed by the Constitution. Such protection is now vitally needed by the rank and file of working people.

I should like to add that corrupt politics must bear a large share of the responsibility for the present sad plight of the working people. Except for this corruption, the strife that exists today between employer and employees would be infinitely less than it now is. Could the workingmen but learn the truth that some politicians are more interested in their votes than they are in their welfare, much of the hardship that they are now undergoing would be greatly reduced.

I join with the soldier in asking, "Is this what we fought for?"

Mr. LUDLOW. Mr. Chairman, I yield 20 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Chairman, as a boy I was very much impressed in reading an account of the speech of the great abolitionist, Wendell Phillips, addressing an abolitionist meeting and there was a great deal of tumult in opposition and he could not be heard as he spoke to his audience, when he turned to the press gallery and said, "I speak to 100,000 here."

Well, coming before the House on as important a piece of legislation and as important a policy as this is this afternoon, and having the privilege to speak to about seven or eight members on the

Democratic side and about four or five on the Republican side, I am reminded of Wendell Phillips. And I am wondering what I could say under these circumstances that would in any way influence the action of the House unless in speaking to the press and the people of the United States through the press, in telling them what is being undertaken to be done here, I may get an audience. I am wondering how the Members of this House would feel to read a little ad that I thought of putting into the magazines and papers of the country:

"The man who does not understand money and refuses to study the money question has no business to represent you in Congress."

I think that statement should be blazoned from every paper in the United States. I speak from 12 years of experience in an effort and a struggle that has been made to give this country a fundamental, sound, workable, and adequate monetary system with sufficient cash with which to transact the business of the country. As a result of my 12 years' experience in Washington in endeavoring to work with the Congress as a Member of Congress, as a member of the board of directors of this great corporation called the United States of America, I have come to the conclusion that there are two great essentials to a sound and balanced national economy: The first is a sound, workable, and adequate monetary system, and the next is the free and fair play of competition. If this Congress had come to Washington and had done those two little simple things, had put those two policies of government into operation and strengthened the agencies that enforce the law, such as the Federal Trade Commission, and seen to it that business was given a square deal and that free enterprise was preserved in this country, we could have gone home, and the industry and thrift of the American people would have done the things we have tried to accomplish with all these legislative expedients.

I was very much encouraged just lately by the message from our great President. We took heart when he told us in his message:

As a result, estimated expenditures will exceed estimated receipts by 4.3 billion dollars. This amount can be provided by a reduction in the cash balance in the Treasury. Thus, after a long period of increasing public debt resulting from depression budgets and war budgets, it is anticipated that no increase in the Federal debt will be required next year.

When we talk about reserves in the Treasury, what do we have there? We are borrowing, and we are borrowing every day. In the financial statement of the Treasury, which comes to the office of every Congressman every day, if he will ask for and is inclined to read it, we find that we have only a small cash balance accumulated from borrowings left over for expenditure. We are over \$260,000,000,000 in debt, but over there in the Treasury we have a pile of money metal, the best money the country has ever used, the best money that has ever been used in any country of the world. I speak of silver, the coin of the realm

of most governments in the family of nations.

We have in that Treasury, or did have before we sent 300,000,000 ounces of silver as a lease-lend gift to England, silver which England has coined and put into circulation at a higher coinage value than the dollar value of our silver here, which is \$1.29 an ounce, we have laying there in the Treasury silver that the Treasury officials have refused to use under the authority of law and issue into circulation in the form of silver dollars or silver certificates. That is probably what the President had in mind when he said he was going to draw on the Treasury reserve to reduce the borrowing. But now there is a well-organized campaign of these silver profiteers, and I mean profiteers. I tried to buy a little wedding present, a little silver bowl, in a department store in Chicago the other day. It weighed only about 11 ounces, and they wanted \$54 for it. Go to any store anywhere in the United States where silver jewelry or silver service is purveyed and you will find that the price is exorbitant.

They do not want to pay the coinage value of \$1.29 an ounce for pure silver, they want to make a raid on the monetary reserves of the American people, reserves that are in the Treasury and that should be put into circulation as money. If they can do that they will make a little profit, the difference between 71.11 cents and \$1.29.

How do we get the figure of 71.11? There is no provision in law that sets up the price of 71.11 as the price of silver. In the closing hours of the debate in the deliberations on silver in the Senate on July 6, 1939, the leaders in the Senate succeeded in accomplishing what we have been trying to do ever since silver was demonetized in 1873. Silver was remonetized. The silver in the United States is remonetized. Let me read you the law:

Each United States coinage mint shall receive for coinage into standard silver dollars any silver which such mint, subject to regulations prescribed by the Secretary of the Treasury, is satisfied has been mined subsequent to July 1, 1939, from natural deposits in the United States or any place subject to the jurisdiction thereof.

The director of such mint with the consent of the owner shall deduct and retain of such silver so received 45 percent as seigniorage for services performed by the Government of the United States relative to the coinage and delivery of silver dollars. The balance of such silver so received, that is 55 percent, shall be coined into standard silver dollars and the same or any equal number of other standard silver dollars shall be delivered to the owner or depositor of such silver, and no provisions of law taxing transfers of silver shall extend or apply to any delivery of silver to a United States mint under this section.

Does that say anything about 71.11? It simply says that silver miners of this country who produce the silver, bring it to the mint where it will be coined, and the Government will take 45 percent for its share and the miner will get back 55 percent in silver dollars to spend as he pleases. Under that arrangement, there is no interest feature attached to the issuance of this kind of money. The producer of silver simply

gets silver back and proceeds to put it into circulation. The price of 71.11 cents was established by the Treasury as a basis under the law for paying for the miners' share of silver. Let me tell the members of this committee, to the two or three who are here, that I hold in my hand an old silver dollar minted in 1879. I was curious to know what that silver dollar, worn as it is, saved the American people in the wage of interest. I asked the Federal Reserve bank to give me a calculation of the interest on this silver dollar from that date figured out at 6 percent compounded from that time; it comes to \$39.40. Today, computing the interest, that old silver dollar has saved the people of these United States in the form of interest over \$40. It is worth more when we calculate its service than its weight in gold. Do not make a mistake about that. If that had been a Federal Reserve dollar or a national bank dollar put into circulation by being loaned on somebody's note, they would have had to pay interest all the time they kept the dollar and would either have had to bring that dollar back or another dollar and pay interest and take up the note. Somebody would have to stand behind the man that brought in the dollar to pay his note to get this same dollar in circulation again. As long as that Federal Reserve dollar was circulated, somebody would have been paying interest. If you compound that interest as the bank would compound it by taking their short-term notes and putting out the money over again, which makes the service of this silver dollar worth \$40. Do not make any mistake about that. That is the meat in the coconut, gentlemen. If the bankers of this country and if their friends in the Treasury could have their way, all the silver in the world and all the silver in the United States would be loaded into some old hulks and taken out to the deepest spot in the ocean and there sunk so it would never come back to earth again. Sunk so it would never bother or interfere with the collection of interest on this paper currency on which we must pay current rates of interest—on every Federal Reserve dollar which is now in circulation.

We had a celebration here in Washington back in the days of Andrew Jackson, just a little over 100 years ago. We celebrated the cancellation of the last Federal debt. This country in 1835 was out of debt. If this country were out of debt today and business was on a cash basis there would not be a single dollar in circulation except these silver certificates and silver dollars.

The gentleman from New York [Mr. TABER], the leader of the opposition on the Republican side on this Appropriations Committee, makes light of silver and tries to say there is no market value for silver. Do you know what the English did with this 300,000,000 ounces of silver they got from the United States Treasury? They coined it. In the United Kingdom it is worth 88.1 cents per ounce. In India it is worth \$2.26; in Arabia it is worth \$1.809. Silver is worth more than its coinage value in this country all over the world. If the restrictions were taken off of silver, and the law of

supply and demand should come into play, silver would go higher than its coinage value here just as it did after the last war, when it went to \$1.49 in the Orient. To think that we are going to permit the silversmiths to go into the Federal Treasury and make a raid, is preposterous to me.

Let me call attention to just what has been done. It was astounding to me, knowing the rules of the House and the laws governing this body, when I ascertained what is being attempted in this bill. Under the rules governing this House, no legislation can be placed on an appropriation bill. That is a law that has been in force ever since I have been a Member of this Congress, for over 12 years. We are protected from a small minority tacking objectionable legislation onto an appropriation bill. We are protected by the rules of this House, so that any Member on this floor can rise and make a point of order that the item is legislation on an appropriation bill, and it goes out. We have had some heartbreaking experiences with western appropriations because the appropriation contained legislation and it was thrown out on a point of order. We rely on that law. I rely on that law in trying to follow a course that will protect the people I have the honor to represent.

But what do we find on page 25 of the bill, line 7?

For a period of 2 years following the enactment of this act, the Secretary of the Treasury is authorized to sell or lease for manufacturing uses, including manufacturing uses incident to reconversion and the building up of employment in industry, upon such terms as the Secretary of the Treasury shall deem advisable, to any person, partnership, association, or corporation, or any department of the Government, any silver held or owned by the United States at not less than 71.11 cents per fine troy ounce: *Provided*, That at all times the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury.

Well, there is nothing to that. All I had to do or all any other Member had to do would be to rise in his place and say, "Mr. Chairman, I make a point of order against that provision on the ground that it is legislation on an appropriation bill." But what do we find? Somebody got to the powerful Rules Committee. We are always reading in the papers about this powerful Rules Committee. This is what the Rules Committee did in this case: Before a bill can be brought to this House for consideration, under the ordinary procedure, it is necessary to get authority from the Rules Committee under a resolution brought to the floor to make that bill in order by which they prescribe the time for general debate. In this case we have a very brief resolution. House Resolution 521 reads as follows:

Resolved, That in the consideration of H. R. 5452 all points of order against the paragraph relating to the disposition of silver owned by the United States, under the heading "Bureau of the Mint" in title I of such bill, shall be considered as waived.

There we are, tied up; we have got to take our medicine. The jewelers can make the raid, they can get silver that is worth over \$1.29 an ounce when this country is over \$260,000,000,000 in debt. They are making a raid on our Treasury and getting this silver at 71.11 cents on the excuse that that was all the Government paid for it. I cannot understand why any committee, any small group, would put that kind of deal over on the House of Representatives of the American people.

I hope we may be able to get the ear and attention of the Members of Congress, when this bill is read for amendments, that we may explain the transaction that is proposed here and that we may have support for an amendment to strike it out of the bill. In that way we will take into consideration all the taxpayers and the need for silver, and follow the President's program, follow the program of reducing this tremendous tax load by using \$2,000,000,000 of idle money that is all bought and paid for and lying idle over in the Treasury.

When silver was purchased under the Silver Purchase Act and the silver came into the Treasury they made two piles. The first pile was put over here to equal the amount of money paid out for the silver purchased; the other pile was placed over there as surplus. The first pile was revalued in a plan by which the Treasury brought it up to \$1.29 an ounce, which is the coinage value, not the purchase price, and this silver equivalent was issued in silver certificates by the Secretary of the Treasury acting under the terms of the Silver Purchase Act. I now read to the Members the essential portions of the Silver Purchase Act and ask you to bear in mind that we happen to have over 1,750,000,000 ounces of silver in the Treasury. It was put to a partial use during this war when we had to have something to conduct electricity to the smelters to make aluminum for our airplanes. It would have served a double purpose if it could have been used as backing for silver certificates monetarily and at the same time have been used industrially for the conducting of electric current.

I read the following from the Silver Purchase Act:

SEC. 3. Whenever and so long as the proportion of silver in the stocks of gold and silver of the United States is less than one-fourth of the monetary value of such stocks, the Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad, for present or future delivery with any direct obligations, coin, or currency of the United States, authorized by law, or with any funds in the Treasury not otherwise appropriated, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest: *Provided*, That no purchase of silver shall be made hereunder at a price in excess of the monetary value thereof: *And provided further*, That no purchases of silver situated in the continental United States on May 1, 1934, shall be made hereunder at a price in excess of 50 cents a fine ounce.

SEC. 4. Whenever and so long as the market price of silver exceeds its monetary value or the monetary value of the stocks of silver is greater than 25 percent of the mon-

etary value of the stocks of gold and silver, the Secretary of the Treasury may, with the approval of the President and subject to the provisions of section 5, sell any silver acquired under the authority of this act, at home or abroad, for present or future delivery, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest.

SEC. 5. The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3, and such certificates shall be placed in actual circulation. There shall be maintained in the Treasury as security for all silver certificates heretofore or hereafter issued and at the time outstanding an amount of silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

MR. LUDLOW. Mr. Chairman, I yield the gentleman 10 additional minutes.

MR. WHITE. In other words, it is mandatory for the Secretary of the Treasury to issue dollars or silver certificates in the equivalent of monetary value to the cost of all the silver bought, but there is exactly where the Secretary stopped. He could just as well lighten the interest load on the American people by putting all the silver that comes into the Treasury out in the form of silver dollars. But, no, he wants to protect the Federal Reserve banks in their interest-gathering privilege. Interfering with that privilege was the last thing he wanted to do. The bank will not tolerate any interference with their program of issuing interest-bearing currency. As I said earlier in my statement, if all the silver in the world today could be gathered up, loaded in some old hulks and taken out to the deepest spot in the ocean and sunk irretrievably, it would be the grandest thing in the world so far as the banks of this country are concerned; it would be the finest thing that could happen to silver according to them. We must destroy this silver, we must keep it out of circulation as money. Ever since I have been a Member of Congress, some 12 years, they have been fishing around trying to find some industrial use for silver, trying to find a disposition for silver and get the country away from the hard money, the money that made America great, the kind of money that bought every foot of territory in continental United States. That was the money that bought Louisiana, that was the money that bought Florida, that was the money that brought in Texas and all of the southwest country that we wrested from Mexico. That was the money that brought in Alaska. That is the money that has made America great. Ever since silver was demonetized in 1873 we have had a series of depressions and booms. That has worked untold hardships on the American people.

I want to show the members of the Committee the benefits, the actual profits that have been made by the Government in connection with silver. Every month the Treasury gets out a bulletin. I have

the January 1946 bulletin before me and on page 82 of that bulletin there is the seigniorage table and I call the attention of the members of the Committee to the fact that the total seigniorage on silver has come to \$917,400,000. There has been a neat profit in the operation of that law I read you, the Silver Purchase Act, to the extent of almost a billion dollars.

In the last column of the same table we find the potential seigniorage on silver bullion at cost of the general fund, the silver that these jewelers are trying to get so that it can be taken away from our Treasury. Had this silver been coined and put into circulation in the form of silver certificates issued against it we would have had an additional seigniorage profit of \$377,600,000.

The gentleman from New York [Mr. TABER], the ranking minority member of the Appropriations Committee, stands up here year after year and tells the Members of this House that silver is an expense to the Federal Government, that silver has not any value, that it is a drug on the economy of this country and on the taxpayers of the Government. I wish that every day, every month, he would read the tables that come in the official Treasury statement and note the big profit that the Government makes on silver. That is the profit alone. But what about the interest on \$2,000,000,000 which is now in circulation, silver dollars and silver certificates? And the other \$2,000,000,000 we have laying idle ready to put in circulation. Profit to the Government and the saving of interest. Of course, that is all wrong. It is amusing to me to hear the gentleman from New York [Mr. TABER] and other gentlemen on the other side of the aisle preach economy. They want to cut appropriations, they want to save whenever they get a chance, by their way of doing it, but when these same gentlemen get a chance to make a real saving, to do something substantial for the taxpayers of this Government, they turn the other way.

This provision of the bill violates the rules of the House, and then they bring a rule in here to protect that violation which runs counter to the recommendation of the President of the United States. We are running counter to the rules of this great House. To do what? To give the jewelers a little insignificant profit on silver and keeping \$2,000,000,000 out of circulation in the form of silver certificates, or silver dollars, which would lighten our interest load by that much.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from New Jersey.

Mr. CANFIELD. In all fairness to the gentleman, has not the House already passed on this issue?

Mr. WHITE. If the House has already passed on this issue, why bring it back in this form? Why sneak this thing in here with this kind of a rule? That is what I am complaining about. Are we keeping faith with the Members of the House, are we keeping faith with the President of the United States, are we protecting the interests of the people of

the United States in doing this thing that sponsors of this plan are attempting to do today? That is what I would like to have the gentleman answer me. Let me ask the gentleman a question. Does he think we are keeping faith, does he think we are doing the right thing with this sort of parliamentary procedure?

Mr. CANFIELD. Mr. Chairman, if the gentleman will yield, I think this legislation is very much in order, and the House tomorrow will merely emphasize what it has already tried to emphasize in previous legislation.

Mr. WHITE. I assume that the gentleman has been in this House for quite some time. I assume the gentleman knows the rules of the House. I assume the gentleman knows that there is a rule that legislation is to be ruled off an appropriation bill. Why make an exception for silver? Why do you do that? Why do you make an exception for the silver dealers? Can the gentleman answer that question? He thinks that this plan is right. Does he want that to go to his constituents?

Mr. Chairman, this is a big subject, and I could talk and present facts all afternoon. I would like to call attention to one thing. Efforts are being made here today to dispose of this silver, and take just that much out of the possibility of having it made into money. I would like to call the attention of the Nation to the fact that in reconversion and employment and in the production of essential metals, copper, zinc, and lead, and all those things associated with the mining of silver, that when you strike down the value of silver you are only increasing the cost load on the mining industry, and I want to call attention to the further fact that under present operations, with increased wages, social security, unemployment insurance, and all of these things that these companies have to bear, we need the best price that we can possibly get. We need the full use of silver as money as well as industrially, and there is plenty of silver to be had. It has been the established policy of the Treasury that if these jewelers want silver, they can get all they want at the coinage value of \$1.29. There is nothing to prevent them redeeming the silver certificate and securing silver in the form of silver dollars and having it melted down.

I thank the leadership of this House, and I want to thank the chairman of this committee who has always been fair in giving me at least this opportunity after all these years to tell the House a few of the facts about silver.

Mr. CANFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. GWINN].

Mr. GWINN of New York. Mr. Chairman, in Yonkers bids were solicited for a new post office in November 1945. Two were received, one entirely acceptable. But those bids were held for weeks. After the amount of the bids became public knowledge the Post Office Department negotiated with one Hyland, who was not a bidder, and entered into a contract with him privately to build the post office. It was for the same space as one of the bidders provided and at

exactly \$85 a month less. The old bidders were not asked to revise their bids or to submit new bids, but were deliberately precluded from bidding.

In the Post Office Department advertisement for bids there is a clause specifically reserving the right to endeavor after the closing date of bids to secure other offers in addition to those submitted in response to the advertisement. The Post Office Department now reserves the right to negotiate for post-office buildings at private treaty and without public bidding. This is wrong and should be stopped. For big Government operating a political department, the most political of all departments cannot be permitted to prefer contractors of one party as against contractors of another party.

No exception to the sound principle of law requiring acceptance of the lowest bid in Government construction can be tolerated.

At Pleasantville, N. Y., the Post Office Department proposed a new building in the summer of 1945. The city council, the mayor, and the citizens generally protested against the erection of a new post office on the Public Plaza for the following reasons:

First. The United States Government, through the Federal Deposit Insurance Corporation, became the owner of a large building under foreclosure which was entirely vacant and available to the post office for use on the same plaza.

Second. There was space in the present post-office building that could be used.

Third. The Reader's Digest business constitutes 88 percent of the total business in the Pleasantville post office. The Reader's Digest in writing notified the post office of its intention to build its own post-office building in its plant 5 miles away as soon as building should be permissible. So the new proposed post-office building would then become approximately 88 percent vacant.

Nevertheless the Post Office Department aided in securing priorities for materials from the War Production Board. The new building has just been completed costing approximately \$90,000, using building materials greatly needed for houses, even a veterans' hospital in our district on which construction is stopped for lack of building material.

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Chairman, may I suggest to any who may be interested in committee procedure that they give particular attention to the hearings on this bill and to the report and the address of the gentleman from Indiana [Mr. LUDLOW] in presenting the bill to the House. In my opinion they are as complete and effective as ever submitted for the consideration of the Congress.

The Subcommittee on Treasury and Post Office is the ranking subcommittee and the gentleman from Indiana is the ranking member of the Committee on

Appropriations and his long experience in legislation and his exceptional knowledge of the important field covered by this appropriation make it one of the notable appropriation bills of the session.

If I were called upon to point out the ideal Representative in Congress, I would unhesitatingly select the gentleman from Indiana [Mr. Ludlow]. His early experience as a newspaperman, in which he served as Washington correspondent for some of the major newspapers of the country, his ability and sincerity and wide human interest, and his popularity on the floor and in the committees, make him one of the outstanding figures in the Congress.

He is not a partisan. He votes with the Republicans when they are right and he votes with the Democrats when they are right, but always he votes with the people of Indianapolis and the State of Indiana and the Nation at large.

He is neither a factionalist nor a sectionalist. He is identified with no faction or section. He is interested in all classes, everywhere, and the United State of America in general.

I need not mention his great service in the Committee on Appropriations. That speaks for itself. Personally, I would be unwilling to see the committee report to the House on any vital matter until it had the benefit of his wise counsel and seasoned judgment.

I am certain I speak for the committee—and I trust for the House—when I express appreciation to the people of his discriminating congressional district on their sending him to Congress, and keeping him in Congress, through every political vicissitude, in these crucial years of the Nation's history.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Be it enacted, etc.—

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1947, namely:

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRIEST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 5452, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. TALLE (at the request of Mr. CANFIELD) was granted permission to extend his remarks in the Appendix of the Record and include certain letters.

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. SAVAGE] is recognized for 20 minutes.

SCHOLARSHIP AND FELLOWSHIP PROGRAM

Mr. SAVAGE. Mr. Speaker, I have today introduced a bill which, if enacted into law, will authorize a scholarship

and fellowship program throughout the Nation. Many brilliant high-school students among the 1,200,000 graduating each year in the United States are deprived of the opportunity of obtaining higher education because of the lack of money. This situation should be corrected. My proposal will provide about 70,000 new scholarships each year and provide each scholarship student with \$30 a month while in college. It would also authorize fellowship awards of \$50 a month for students taking a graduate course.

This is not a large amount of money but it would be a great help for the student who is trying to work his or her way through school and, in many cases, the family may be able to contribute something to the expense of going to college.

First it was my idea to make larger monthly awards, but most educators seemed to believe that it would be better to have a more modest amount and make it apply to more students. The way the bill is presently written, about 7 to 10 percent of the students in each high school will win scholarships. This scholarship award will be made to all students without regard to financial position, but students with adequate finances—those who can afford to pay their own way through college—will be urged to forego the financial assistance so the award can be made to other top students of more limited means. Students who can afford to pay their own way and are scholarship winners will still have the honor of being winners, even though they forego the financial assistance.

The scholarship will give financial assistance all the way through a student's college years, if needed. If the student goes on to graduate work, such as medicine, dentistry, law, and scientific studies, the scholarship will change to a \$50-per-month fellowship when the preparatory college course is finished and the student begins the final specialized studies.

The increase in financial assistance at that particular time is needed because a student studying medicine, for instance, has very little time to do anything else outside of his studies. Students may use the benefit of scholarships to go to any approved, private, or State-owned junior college, college, or university. Whenever a good, intelligent high-school student graduates with high honors and is unable to continue his education, it is a most serious loss to our Nation. Wealth has no monopoly on brains. Often the most healthy and intelligent students come from the farm, where they have been able to live an outdoor life and they grow up on the best possible diet. Such young people can be of much greater service to our country if they are able to obtain a reasonably good education. I do not propose to hand them anything on a platter, because this \$30 per month will not let them live on the fat of the land. They would still have to use their initiative to make good, but with some personal ambition it would enable them to make the grade.

Everybody helps to support our institutions of higher learning by paying taxes. The cost of higher education is thereby made very reasonable, but still there are many families which cannot quite carry the additional burden of sending a son or daughter to college. I believe that the modest sum of \$30 a month will bridge that gap and open the doors of our colleges and universities to many more students.

The program is to start gradually. Right now our institutions of higher education are filled to capacity with thousands of veterans trying to complete their education. But as GI's leave these institutions, our new high-school graduates with scholarship awards will enter. The full effect of this scholarship program will not be realized until 4 years after the passage of the bill. However, students of the first high-school graduating class, following the passage of this bill, will receive scholarship awards.

There is still a great need for expansion of facilities for higher education. When this expansion is made, it may be possible to grant scholarship awards to a greater percentage of the students graduating each year.

Each year the United States Commissioner of Education will allocate the scholarship appropriations to each State according to the number of high-school graduates in that State in ratio to the number graduating in the Nation. This allocation, of course, will have to be made on figures based on a prior year.

Then the bill provides that each State legislature establish a board of not less than seven members to administer this scholarship program. These boards will determine the method of selecting students for the scholarships and other details to assist the students in receiving higher education. Thus, each State will have complete control over the money given it by the Federal Government.

I am amazed at the comparatively small amount of money needed to carry on the program, when compared with the great amount of benefit the Nation derives from it. The amount of money that this Nation spent in one day to wage World War II would run my proposed scholarship program for 3 years, during which time it would graduate 210,000 college seniors, 75,000 doctors, lawyers, technicians and scientists and would open the doors of opportunity for 210,000 high-school seniors anxious to continue their education.

In the first year after the passage of the bill, the Federal Government would make available to the States, \$35,000,000, to inaugurate the program. This would permit scholarships for 60,000 entering freshmen; 40,000 students already in college and 18,000 fellowships for advanced studies. The second year's appropriation would jump to \$50,000,000, allowing an increase in the number of entering freshmen and fellowship awards. In the third year the appropriation would increase to \$65,000,000 to take care of those students who had entered during the first 2 years. For the fourth year, and each year thereafter, the appropriation would remain at \$80,000,000, since by that time

the program would be in full swing and the first year's class would be graduating.

I believe this educational bill will solve a great many of our youth problems. As you no doubt remember, during the depression young people who graduated from high school were unable to get jobs and most of them were unable to finance a higher education. The result—youth delinquency and crime—cost us many times what this scholarship program will cost.

One thing that brought sharply to my mind the need for this educational program was the fact that the 1940 census showed us that there were over 5,000,000 boys and girls under 19 working in industries. About one-third of them were girls. This does not include the great number of the same age group working in agricultural pursuits on farms, and so forth. Keeping these young people in school will take them off the labor market and will have a beneficial effect on our entire economy.

Our social-security program is beginning to retire old people on an income. I think the age of retirement should be lowered considerably below the age of 65, so as to leave more jobs open for young people as they finish their education. I consider this educational idea as part of a whole program which will make it possible for a young person to finish his education, immediately obtain employment, and then be able to earn money constantly throughout his productive span of life.

Retirement at the age of 55 or 60 will leave an opening in the productive field for another young person.

We will find it increasingly necessary to retire our people at a younger age, as technological advancements are made. I want to add that I do not believe in compulsory retirement because in some types of work, age is no handicap, and the more who work beyond the minimum retirement age, the lower the minimum retirement age can be for those doing heavy work and getting crippled up, such as in the logging industry, mining, and construction. Men who do physical work are encountering more and more difficulty in obtaining employment as their hair begins to turn gray.

Most people of the retirement age have their heavy expenses behind them while young people want to get married, buy homes, furniture, and raise a family. They need greater purchasing power than the people over 60. Young people are more likely to turn to crime, if denied a chance to work, than older people who do not have as great an economic necessity and can devote more of their time to citizenship responsibilities.

This scholarship-fellowship program will help turn the attention of young people back to education from their wartime pursuits of jobs and high wages.

During my years as a legislator, I have noticed a constantly growing need for giving more of our high-school graduates higher education. We have a very technical economy which requires a well-educated people to operate. We need skilled personnel to keep pace with our rapid technological development. We have a great need for many more scientists to help apply the latest scientific

methods for the advancement of our society.

A great many scientists, technicians, and professional men are needed in fighting modern war, and the more education we give our people, the better able we will be to defend ourselves, if necessary. However, on this particular point, I hope the United Nations Organization will be able to save us from that fate by maintaining a permanent peace.

The SPEAKER. Under the previous order of the House the gentleman from Washington [Mr. DE LACY] is recognized for 15 minutes.

HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES OPPOSES FIGHT AGAINST ANTI-SEMITISM AND DISCRIMINATION

Mr. DE LACY. Mr. Speaker, there are occasionally some words that pass that seem personal in application. I certainly regret any part I may have had in them. I like to stick to issues and discuss persons not at all, but only as they may be connected with issues. Sometimes, however, there arise occasions on which a person has to be something less than a man not to protest.

Yesterday the gentleman from Washington, my colleague [Mr. COFFEE] put into the RECORD an exchange of correspondence between the Committee on Un-American Activities, its chief counsel, Mr. Adamson, and the Veterans Against Discrimination.

I have here today a similar piece of correspondence which, much as I regret the necessity of bringing to the attention of the Members and having it included in the RECORD, seems to me beyond the bounds of anything that is proper in the conduct of an inquiry into what may be un-American activities. This communication is addressed by Mr. Adamson to some sincere and honest constituents of mine in Seattle, Wash.

These citizens had dared to protest some of the activities and actions of the House Committee on Un-American Activities in the name of "true democracy."

Here is part of the reply which they received:

The fifth amendment to the Constitution of the United States was enacted for the purpose of preventing this Government from ever being a true democracy.

It is signed: Ernie Adamson, chief counsel, and is on the stationery of the House of Representatives, Committee on Un-American Activities.

This perversion of the Constitution of the United States—carefully conceived by those who fought and bled in revolution that democracy might be born—comes straight from the lips of Elizabeth Dilling. These are the teachings of American Fascists, indicted for sedition by the Government of the United States.

By what right, Mr. Speaker, dares the chief counsel of the House Committee on Un-American Activities to repeat the words of Fascists in the name of the United States House of Representatives?

Under what procedure does any committee of this House declare that Elizabeth Dilling's native Nazi doctrine is the belief and understanding of Congress?

But this is not the only action of the Committee on Un-American Activities

which is bringing this Congress into disrepute before the American people.

The Committee on Un-American Activities has even written the able columnist and radio commentator, Drew Pearson, probing his use of the word "democracy" at the close of his widely heard Sunday evening broadcasts.

The inference is clear. To the Committee on Un-American Activities, democracy is an alien and a dangerous concept.

Plainly, the Committee on Un-American Activities, through Mr. Adamson, its counsel, has accepted the preachings of Elizabeth Dilling, which are the preachings of the enemies of democracy and justice throughout the world. Elizabeth Dilling no more originated that lie than did Mr. Adamson. It originated in Berlin, Tokyo, and in Madrid.

It seems beyond belief that the House of Representatives should establish a committee and finance its activities to destroy those seeking to secure the democratic peace so recently won at the cost of millions upon millions of lives.

Let me recite a few more facts.

Our former colleague, the gentleman from New York, Mr. Samuel Dickstein, introduced in this Congress, House Concurrent Resolution 89, condemning anti-Semitism and racism as un-American. I support that resolution as a recognition of the fact that anti-Semitism is the trademark of the Nazis and the Fascists and their blood brothers in this Nation.

The Dickstein resolution received wide support among the American people. Among the organizations which exercised its constitutional right to petition the Government in behalf of this resolution was the National Committee to Combat Anti-Semitism.

This committee is dedicated to the proposition that anti-Semitism in any form serves fascism and is repugnant to the idea of democracy.

Its membership includes such outstanding Americans as Secretary of the Interior Harold L. Ickes, Bishop G. Ashton Oldman, Senator Olin D. Johnston, Philip Murray, Daniel Tobin, Judge Ferdinand Pecora, Thomas Mann, and Edward G. Robinson.

On December 27, on the letterhead of the Committee on Un-American Activities, Mr. Adamson wrote this organization:

I have received a copy of a formal petition being distributed by you, together with the solicitation of money for the purposes of controlling the thoughts of American citizens. I should be very glad to have you write me the purpose of this campaign and also the directors of your organization.

Listen to that, gentlemen. The petitioning of Congress for action on a resolution condemning anti-Semitism is, in the words of the committee:

Controlling the thoughts of American citizens.

Mr. Speaker, I am proud of the sturdy Americanism in the reply which this organization sent to the committee:

Your smear letter will not deter us from waging a ceaseless struggle against un-American anti-Semites and racists in high or low places. Your false characterization of

our petition campaign leads to no other conclusion than that you are opposed to the fight against anti-Semitism. It seems to us that you are far more concerned with protecting Fascists and anti-Semites than in exposing them.

What sound American reading this correspondence could not but agree.

Only shortly after this exchange of correspondence the committee demanded the books and records of the National Federation for Constitutional Liberties. This organization has a long record of fighting for the rights of the American people and opposing pro-Fascist and antidemocratic elements in this Nation. In these activities it has won the support of outstanding religious, farm, labor, and public-spirited leaders.

The national board of the organization replied in part to this effort to destroy its effective work for democracy:

The activities of the NFCL, widespread and publicly known, do not permit the imputation that they are un-American or subversive. These activities include support of the soldiers' right to vote, the poll tax repeal, the Fair Employment Practice Committee, the rights of all democratic minorities to full participation in the war and in civilian life. The NFCL has been active in support of labor's rights and in the fight against anti-labor legislation and activities. It fights antisemitism, discrimination against Negroes, red-baiting, and all other Hitlerite disruptive and divisive tactics. Particularly, the NFCL has urged and supported every action against the seditionists and all native Fascists.

Then the letter refers to similar actions of the committee against other organizations which, like the NFCL, fight for greater benefits from democracy for the American people.

Unquestionably these organizations have incurred the enmity of members of the Un-American Committee because their program, if carried out, would mean the end of Jim Crow, the poll tax, antisemitism, discrimination, and other antidemocratic practices which deny to millions of Americans the rights and privileges to which they are entitled.

Mr. Speaker, there can be no doubt from this record that the Committee on Un-American Activities is using its power and the authority of this body to undermine the very principles upon which our country was founded. It has become a menace to the liberties of our Nation.

There is no way to reform this committee. It must be abolished.

EXTENSION OF REMARKS

Mr. SAVAGE asked and was given permission to extend his remarks in the Record and include a letter from the Post and a news article from the News.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Hook, until March 4, 1946, on account of official business.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con Res. 52. Concurrent resolution authorizing the Joint Committee on the Organ-

ization of Congress to have printed for its use additional copies of the summary of hearings, index to hearings, and parts 1, 2, 3, 4, and 5 of the hearings held before said joint committee during the first session, Seventy-ninth Congress, relative to the organization of Congress; to the Committee on Printing.

ENROLLED BILL SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5158. An act for reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H. R. 5158. An act reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes; and

H. J. Res. 316. Joint resolution making an additional appropriation for the fiscal year 1946 for readjustment benefits, Veterans' Administration.

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 51 minutes p. m.) the House adjourned until tomorrow, Thursday, February 14, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

There will be a meeting of the Committee on Expenditures in the Executive Departments at 10 a. m. on Thursday, February 14, 1946, to consider the disposition of surplus property, in room 304-A, Old House Office Building.

SECURITIES SUBCOMMITTEE OF THE COMMITTEE ON INTERSTATE COMMERCE

There will be a meeting of the Securities Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, February 14, 1946, also 2 p. m.

Business to be considered: Resume hearings in its study of operations pursuant to the Public Utility Holding Company Act of 1935.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Aviation Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, February 19, 1946.

Business to be considered: To begin hearings on H. R. 1814 (meteorology) and H. R. 164 (thunderstorms).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1059. A letter from the Acting Secretary of the Navy, transmitting a draft of a pro-

posed bill to provide for the transportation of dependents of personnel of the Naval Establishment from overseas stations to inland destinations in the United States, and for other purposes; to the Committee on Naval Affairs.

1060. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation; to the Committee on Irrigation and Reclamation.

1061. A letter from the Archivist of the United States, transmitting the eleventh annual report of the Archivist of the United States, which covers the fiscal year ending June 30, 1945; to the Committee on the Library.

1062. A letter from the Acting Secretary of the Interior, transmitting two copies of the annual statement of cost, cancellations, and miscellaneous irrigation data of Indian irrigation projects for the fiscal year 1945; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JARMAN: Committee on Printing. House Resolution 508. Resolution authorizing the printing as a public document of a revised edition of House Document No. 228, Seventy-ninth Congress, first session, entitled "Our American Government: What Is It? How Does It Function?"; without amendment (Rept. No. 1566). Referred to the House Calendar.

Mr. COX: Committee on Rules. House Resolution 524. Resolution providing for the consideration of H. R. 5117, to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting; without amendment (Rept. No. 1567). Referred to the House Calendar.

Mr. CELLER: Committee on the Judiciary. H. R. 2710. A bill to provide for the detention, care, and treatment of persons of unsound mind in certain Federal reservations in Virginia and Maryland; without amendment (Rept. No. 1568). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON of Georgia: Committee on the Territories. H. R. 5453. A bill to authorize certain expenditures by the Alaska Railroad, and for other purposes; without amendment (Rept. No. 1569). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOOK: Committee on Claims. S. 1131. An act for the relief of Jess Hudson; without amendment (Rept. No. 1570). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. S. 1371. An act for the relief of Reginald Mitchell; without amendment (Rept. No. 1571). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 2736. A bill for the relief of Norman Abbott; with amendment (Rept. No. 1572). Referred to the Committee of the Whole House.

Mr. SCRIVNER: Committee on Claims. H. R. 2931. A bill for the relief of Edward Oatneal, John N. Oatneal, Jr., and James R. Oatneal; with amendment (Rept. No. 1573).

Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3360. A bill for the relief of Mrs. W. H. (Agnes) Holmes; with amendment (Rept. No. 1574). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3618. A bill for the relief of Mrs. Vannas H. Hicks; with amendments (Rept. No. 1575). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 3751. A bill for the relief of Mrs. Theodora O. Anzures and the legal guardian of Bernice Anzures and Andrew Anzures; with amendments (Rept. No. 1576). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3985. A bill for the relief of Kilpatrick Bros. Co.; with amendments (Rept. No. 1577). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4074. A bill for the relief of Mrs. Jennie Burnison; without amendment (Rept. No. 1578). Referred to the Committee of the Whole House.

Mr. SCRIVNER: Committee on Claims. H. R. 4560. A bill for the relief of Nicholas T. Stepp; with amendment (Rept. No. 1579). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAGEN:

H. R. 5464. A bill authorizing a per capita payment of \$50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; to the Committee on Indian Affairs.

By Mr. SAVAGE:

H. R. 5465. A bill to aid the States in establishing and maintaining a scholarship and fellowship program in the colleges and universities; to the Committee on Education.

By Mr. WELCH:

H. R. 5466. A bill to provide for the licensing of marine radiotelegraph operators, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. ENGLE of California:

H. R. 5467. A bill to cancel authority under the act of June 23, 1936, for the conveyance of certain lands owned by the United States to the city of Los Angeles, Calif.; to the Committee on the Public Lands.

By Mr. MANASCO:

H. R. 5468. A bill to authorize certain administrative expenses for the National Advisory Committee for Aeronautics, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. LUDLOW:

H. J. Res. 317. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1946, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to initiate an immediate investigation of all possible sources of domestic and foreign protein feed concentrates, methods, and amounts of domestic alloca-

tions by Federal agencies, and problems of maldistribution; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COFFEE:

H. R. 5469. A bill for the relief of Bertha Lillian Robbins and Charles Robbins to the Committee on Claims.

By Mr. DE LACY:

H. R. 5470. A bill for the relief of Mitaka Matsumoto Harada; to the Committee on Immigration and Naturalization.

By Mr. DWORSHAK:

H. R. 5471. A bill for the relief of the Elmore Cooperative Hatchery; to the Committee on Claims.

By Mr. GRANT of Indiana:

H. R. 5472. A bill granting a pension to James A. Garfield Smith; to the Committee on Pensions.

By Mr. McCORMACK:

H. R. 5473. A bill for the relief of Ghidu Davidescu; to the Committee on Immigration and Naturalization.

By Mr. VOORHIS of California:

H. R. 5474. A bill for the relief of Robert Knittel; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1558. By Mr. ANGELL: Petition of Norman F. Coleman and other citizens of Portland, Ore., petitioning the Congress of the United States; to the Committee on Military Affairs.

1559. Also, petition of the duly elected representatives of the citizens of Franklin County, Wash., L. L. Howton, chairman, in regular meeting assembled the 28th day of January 1946, respectfully petition the Congress of the United States to make no increase in the wholesale resale rate of Bonneville Power Administration electrical energy but maintain the present rate; to the Committee on Rivers and Harbors.

1560. By Mr. CLASON: Petition of Raymond G. Bressler, chairman, and Frederick E. Cole, secretary, of a special committee appointed by the New England Feed Conference in Gardner Auditorium, State House, Boston, Mass., on February 8, 1946, urging immediate action by Congress which would lead to alleviation of the very critical shortage of feed for poultry and stock in New England; to the Committee on Agriculture.

1561. By Mr. SMITH of Wisconsin: Petition of members of the Lake Geneva Town and Country Garden Club, supporting the urgent need for establishing a forest research center in Wisconsin; to the Committee on the Public Lands.

1562. Also, petition of voters of the first Congressional District urging signing of discharge petition No. 4 to bring House bill 2232, the bill for a permanent Fair Employment Practice Committee, to a vote on the floor of the House of Representatives; to the Committee on Labor.

1563. By the SPEAKER: Petition of the Military Order of the World Wars, petitioning consideration of their resolution with reference to the exemption of all persons honorably separated from the armed forces after serving in war from joining any organization as a condition of employment; to the Committee on World War Veterans' Legislation.

1564. Also, petition of the Council of the City of Philadelphia, petitioning consideration of their resolution with reference to enactment of a fair employment practice statute; to the Committee on Labor.

1565. Also, petition of the chairman, Employees' League, Pacific Naval Air Bases, Ma-

nila, P. I., petitioning consideration of their resolution with reference to the request that their status be defined by legislation on the same basis as that of the civilian employees of the United States Navy at Cavite and Mariveles, P. I.; to the Committee on Naval Affairs.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 14, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou Eternal One, who commanded the light to spring out of darkness, come in fuller measure into our lives; speak and make Thy purpose with us sure and clear. In this hour, so freighted with demanding responsibilities, we pray that we may be true disciples of Christian freedom; under all circumstances let forgiveness take the place of retaliation and sacrifice the place of indulgence. O arm and sustain us with an unyielding faith, without doubt or hesitation.

Almighty God, we pray that our tired country may grow young again. Preserve it from the race of selfishness that is surging with its disintegrating power through our industrial centers; cleanse it from this sore plague which leaves wreck and ruin in its mad trail. O increase in all men respect for law; rend the chains with which freemen are wrestling, that they may be able to stand strong and steadfast in the face of all adversaries. In the very soul of the Nation, do Thou establish righteous stability and confidence in our institutions that make for happiness and prosperity. May Thy overruling providence, which has hitherto shaped and guided our Republic, bless and guide our President with the riches of Thy grace. In the name of Christ our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. MORRISON asked and was given permission to extend his remarks in the Record in three instances, and to include in one a poem by Lewis Smith, in another a letter to Mayor Higginbotham, of Baton Rouge, from a GI in Manila, and in the other a letter to Administrator Bowles; also a letter from Harry D. Wilson, commissioner of agriculture, to Mr. Chester Bowles.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the Record in two instances and include in each an article.

Mr. GRANAHAAN asked and was given permission to extend his remarks in the Record and include an address made before the American Legion in Philadelphia.

CONDITIONS IN EUROPE AND THE MIDDLE EAST

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a statement.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.